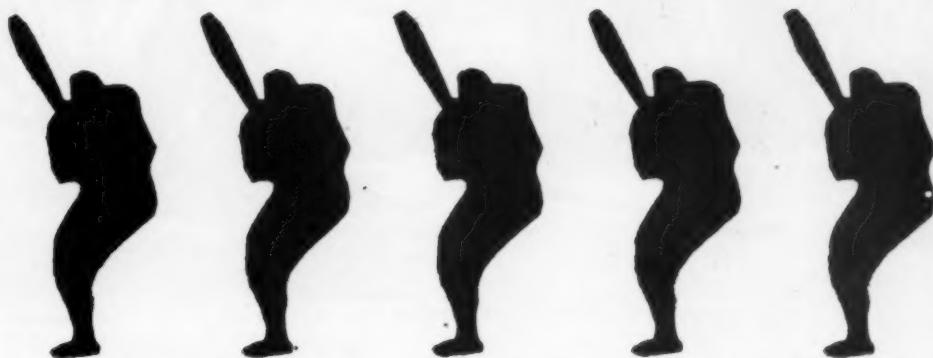


The National Underwriter

A WEEKLY NEWSPAPER OF INSURANCE

THURSDAY, JUNE 6, 1929

What Wins a Ball Game?



HITTING hitting always the hitting. True a ball team must have pitching and fielding but a game is won on hits.

The Employers' Group is well up in the league. It is winning its games regularly. And why? Not only because of the splendid pitching done by the Home Office. Not only because of the flawless fielding done by its claim men, auditors, or engineers. But mostly due to the runs knocked in by its agents.

What a murderers' row these agents make, ten thousand strong, every one a fence buster and all batting for one thousand. Just the sort of lineup that a real hitter would like to join. And it can be done. To the agent who can "hit the apple", who does know a good risk from a bad one, who can win ball games, there is always a place on The Employer's Group line-up. Ask the General Agent or Branch Manager in your territory or write to the Agents Department for your uniform.

THE EMPLOYERS' GROUP

Practically every kind of Insurance except Life Insurance, including Fidelity and Surety Bonds

110 MILK STREET

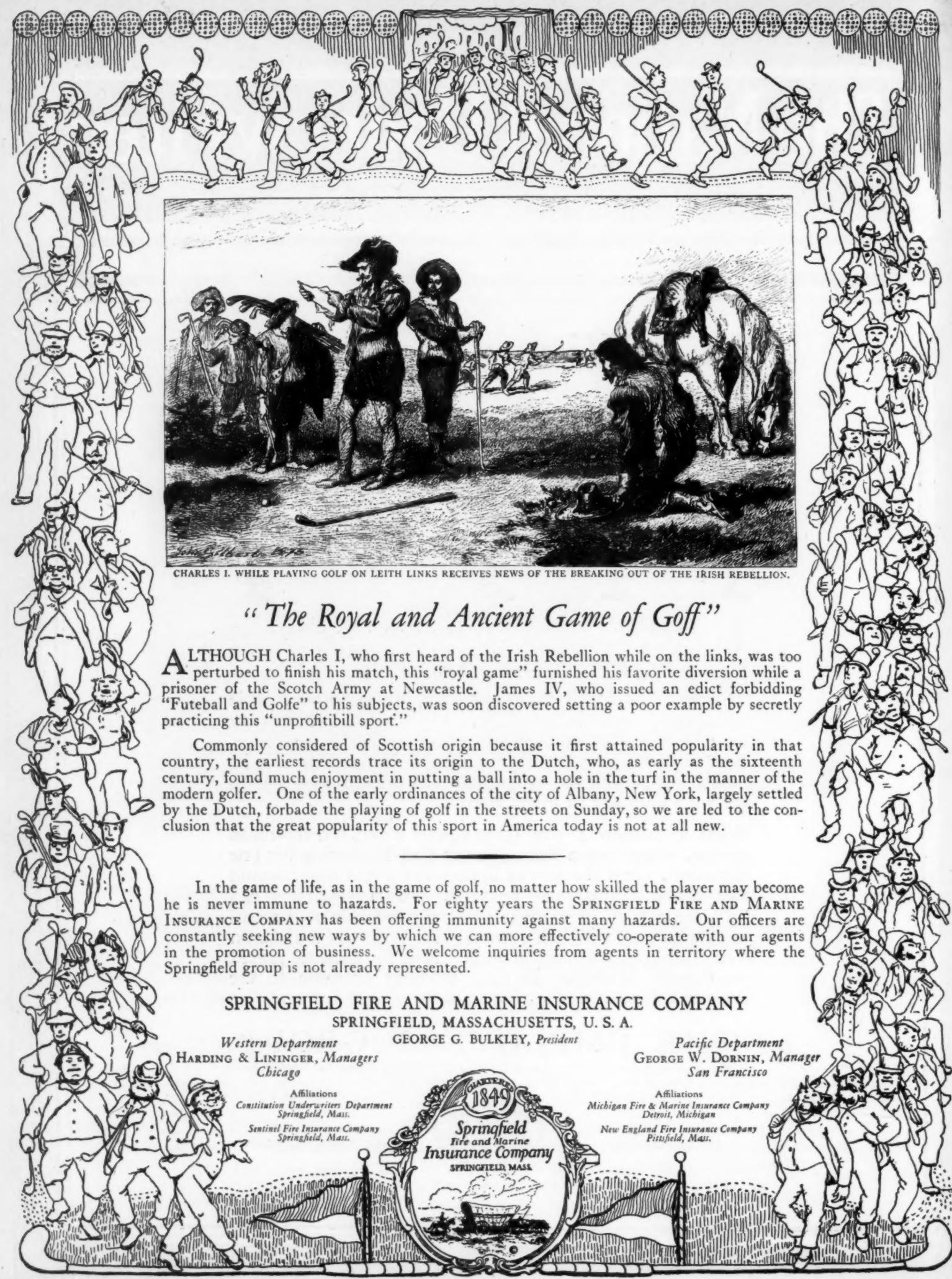
AMERICAN EMPLOYERS'
INSURANCE COMPANY

BOSTON, MASS.



THE EMPLOYERS'
FIRE INSURANCE COMPANY

THE EMPLOYERS' LIABILITY ASSURANCE CORPORATION, LTD.



CHARLES I. WHILE PLAYING GOLF ON LEITH LINKS RECEIVES NEWS OF THE BREAKING OUT OF THE IRISH REBELLION.

"The Royal and Ancient Game of Goff"

ALTHOUGH Charles I, who first heard of the Irish Rebellion while on the links, was too perturbed to finish his match, this "royal game" furnished his favorite diversion while a prisoner of the Scotch Army at Newcastle. James IV, who issued an edict forbidding "Futeball and Golfe" to his subjects, was soon discovered setting a poor example by secretly practicing this "unprofitibill sport."

Commonly considered of Scottish origin because it first attained popularity in that country, the earliest records trace its origin to the Dutch, who, as early as the sixteenth century, found much enjoyment in putting a ball into a hole in the turf in the manner of the modern golfer. One of the early ordinances of the city of Albany, New York, largely settled by the Dutch, forbade the playing of golf in the streets on Sunday, so we are led to the conclusion that the great popularity of this sport in America today is not at all new.

In the game of life, as in the game of golf, no matter how skilled the player may become he is never immune to hazards. For eighty years the SPRINGFIELD FIRE AND MARINE INSURANCE COMPANY has been offering immunity against many hazards. Our officers are constantly seeking new ways by which we can more effectively co-operate with our agents in the promotion of business. We welcome inquiries from agents in territory where the Springfield group is not already represented.

SPRINGFIELD FIRE AND MARINE INSURANCE COMPANY SPRINGFIELD, MASSACHUSETTS, U. S. A.

Western Department
HARDING & LININGER, Managers
Chicago

Affiliations
Constitution Underwriters Department
Springfield, Mass.
Sentinel Fire Insurance Company
Springfield, Mass.

Pacific Department
GEORGE G. BULKLEY, President

Pacific Department
GEORGE W. DORNIN, Manager
San Francisco

Affiliations
Michigan Fire & Marine Insurance Company
Detroit, Michigan
New England Fire Insurance Company
Pittsfield, Mass.



CORROON & REYNOLDS

INCORPORATED

92 WILLIAM STREET

Manager

NEW YORK

December 31, 1928, Statements

**American Equitable Assurance
Company of New York**

Assets	Liabilities	Capital	*Net Resources
\$10,099,162.29	\$3,394,266.51	\$2,000,000.00	\$6,704,895.78

**Bronx Fire Insurance Company
of the City of New York**

\$ 4,889,591.12	\$ 755,197.32	\$1,000,000.00	\$4,134,393.80
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Brooklyn Fire Insurance Company

\$ 5,762,813.80	\$ 1,293,331.77	\$1,000,000.00	\$4,469,482.03
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Globe Insurance Company of America

Pittsburgh, Pa.
(Incorporated 1862)

\$ 2,258,430.77	\$ 813,552.56	\$ 512,000.00	\$1,444,878.21
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Independence Fire Insurance Company

Philadelphia, Pa.

\$ 2,417,189.19	\$ 882,086.24	\$1,000,000.00	\$1,535,102.95
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Independence Indemnity Company

Philadelphia, Pa.

\$12,390,723.48	\$7,770,242.47	\$2,500,000.00	\$4,620,481.01
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Jefferson Fire Insurance Co.

Newark, N. J.

\$ 1,035,147.26	\$ 91,331.57	\$ 400,000.00	\$ 943,815.69
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**Knickerbocker Insurance Company
of New York**

Assets	Liabilities	Capital	*Net Resources
\$ 5,034,363.88	\$2,255,641.18	\$1,000,000.00	\$2,778,722.70

Long Island Fire Insurance Company

\$ 408,657.14	\$ 42,532.38	\$ 200,000.00	\$ 366,124.76
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Merchants and Manufacturers
Fire Insurance Company

Newark, N. J.
(Chartered 1849)

\$ 5,774,475.31	\$1,291,847.16	\$1,000,000.00	\$4,482,628.15
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**Metropolitan Fire Insurance Co.
of New York**

\$ 927,629.05	\$ 134,151.73	\$ 200,000.00	\$ 793,477.32
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New York Fire Insurance Company

(Incorporated 1832)

\$ 2,922,000.19	\$ 927,051.01	\$1,000,000.00	\$1,994,949.18
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Republic Fire Insurance Company

Pittsburgh, Pa.
(Incorporated 1871)

\$ 4,076,176.31	\$1,040,535.31	\$1,000,000.00	\$3,035,641.00
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Sylvania Insurance Company

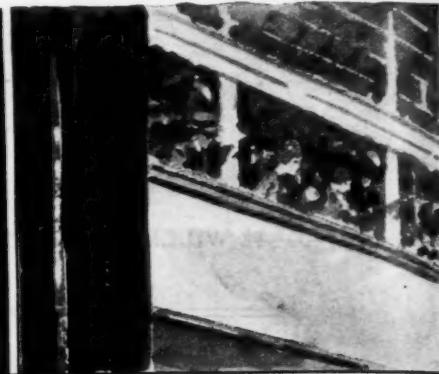
Philadelphia, Pa.

\$ 5,327,783.03	\$ 758,805.07	\$1,500,000.00	\$4,568,977.96
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*Net Resources, being aggregate of Capital, Net Surplus and Voluntary Reserves. Above include additional funds paid in since December 31, 1928

Complete facilities for writing all classes of insurance, excepting life

The Invisible WATCHMAN...



OFF to the continent, around the world, to the seaside for a week-end or two weeks—no matter where they go, how long they stay, the wise agent will appoint himself their invisible watchman. With the Personal Effects policies of this Company he can protect his patrons, as regards their baggage, against loss or damage by reason of all the hazards of travel and transportation, against theft and fire—anywhere away from home, all the year round.

Now particularly is the season to concentrate on these policies. Progressive agents are today talking with their clients and prospects, showing them the facts—the records of hotel fire losses, the losses and pilferings on railroads and ships, the calculated risk of damage in transportation. Our agents marshal the facts and then *apply them*—that's why they're known as the Invisible Watchman of modern business.

SEAR
Insurance Co.
OF AMERICA

Executive Offices: 1 Pershing Square
Park Ave. at 42nd St., New York, N.Y.
Pacific Coast Dept., San Francisco

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The National Underwriter

Thirty-Third Year No. 23

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, THURSDAY, JUNE 6, 1929

\$4.00 Per Year, 20 Cents a Copy

First Gun Is Fired in West Competitive Fight

State Inspection Bureaus Promulgate Announcement Allowing for More Liberal Move for Term Rule— Western Union Makes Modification of Commissions

This week saw the first gun fired in the competition with non-affiliated companies in Western Union territory in that the state inspection bureaus issued new rules extending the writing of risks on the term basis to many additional classes. Furthermore, the members of the Western Union are now voting on the proposition to put all the 20 percent commission business in the 25 percent class, therefore, having but two grades of commissions, 15 and 25 percent. The results of the proposed modification of the commission rule have not been received but it is taken for granted that members will be in favor of taking the step in order to meet outside competition which has become very acute.

Commission Classes Affected

The main classes now in the 20 percent group include brick, stone, concrete buildings occupied for mercantile houses, hotels and theatre purposes, offices, club buildings, lodges, telephone exchanges, public halls, and the like. This will serve to give the agents 5 percent more commission on a comparatively large group.

The extension of the term rule means practically a reduction of 20 percent in the rates on the classes that it covers.

End Is Not in Sight

The end is probably not yet in sight. Company officials and managers are discussing still further measures to meet the competition. It is likely that rate reductions will come to pass in some states where the mutuals are getting a foothold in the villages and small towns. This will affect chiefly the agricultural states so-called. The extension of the term rule, of course, does not include the excepted cities of the west.

Ramparts Were Battered

Companies operating in Western Union territory have realized that for the last year or so nonaffiliated companies, mutuals and reciprocals have been battering the ramparts very strongly. They were paying higher commissions than the organization companies and were eating their way into a number of agencies. It was found that many agents were beginning to yield. The mutuals and reciprocals wrote for the most part at lower rates and some of them paid a dividend. They are stripping some of the villages of many lines of business, thus taking away preferred risks from local agents. Therefore, the first gun in a real battle is fired on the outsiders and the message has gone forth that ammunition is being collected ready for a subsequent conflict if such be needed.

Effect of Term Rule

Agents are already studying the effect of this move. It is a question just how far the term rule will be looked upon with favor by assureds. Where a con-

cern has a large premium to pay it may be that he will not want to remit at one time the entire premium for three or five years. On the other hand the extension of the rule will undoubtedly cause it to be used more frequently and will thus tie up the premium for a longer period. This means that a much higher reserve will have to be put up on the business. This undoubtedly was the object aimed at in the extension of this rule in the fight with the newer companies that have been making much progress. It will force companies to put up for example 90 percent of the premium on five year business and five-sixths of the premium on three year business. This, of course, will tie up a company's funds and after commissions and losses are paid it means that a company will have to dig into its free surplus rather deeply.

Will Tie Business Down

Furthermore it enables agents to correlate their risks for a period of three or five years and thus not be submitted to annual competitive exposure. The fact that there was music in the air brought a number of nonaffiliated officials together to discuss the ways and means of finding shelter. Agents undoubtedly have been very much agitated by the more liberal attitude of the nonaffiliated companies and have listened very attentively to their song. Hitherto the old stalwart organization companies had not found it necessary to meet competitive conditions. This time, however, the situation became so formidable that it would seem that something had to be done to conserve business on the books.

Manager George O. Smith Injured

George O. Smith, Pacific coast manager for the London & Lancashire, suffered a severe injury to his right leg in an automobile accident May 31 while driving north from Los Angeles. He is now in a hospital at San Jose and will remain there for several days longer until all danger from infection has passed. Mrs. Smith and her mother, aged 83, were in the car but escaped injury.

Date for California Meeting

The annual convention of the California Association of Insurance Agents has been set for Nov. 7-9 to be held in Oakland.

Local Agents Conference

Local agents from California, Oregon, Washington and Utah plan to confer in San Francisco June 9 to consider matters of interest.

Extension of Term Rule in Central West

All buildings and contents in Western Union states can now be written on the term basis or in other words at 75 percent of the annual rate for each additional year except the following:

UNSPRINKLED RISKS

1. Buildings of frame, iron-sheathed frame, skeleton iron-clad or brick veneered construction and buildings with incombustible exterior walls not of reinforced concrete or masonry construction, occupied as follows:
Hotels; public halls with stage, scenery or dressing rooms; opera houses or theaters; fair ground property; seasonal amusement parks, halls and pavilions; baseball parks; Chautauqua parks; race-track properties; public boathouses; all seasonal resort properties (except dwellings, private boarding and/or rooming houses).

* * *

2. Buildings of any class of construction (unless otherwise provided) occupied as follows:

+Broom corn warehouses and barns.
Cotton gins, compresses, platforms, sheds, yards and warehouses.
Celluloid factories.
+Cereal mills.
Coal yards and docks.
Cordwood, lumber, logs and other personal property in the open.
Metals (except when written with manufacturing risks) in the open.

* * *

+Distilleries (whiskey, alcohol, turpentine).
+Flour mills.

+Golf and outdoor sports clubs, including country or suburban clubs.
Grain elevators, grain tanks and grain warehouses.

Haybarns and warehouses...
Icehouses (natural) (commercial).
Lumberyards and warehouses.
+Malting plants.

Meat slaughtering and packing establishments.
Mining properties.

Oil well and gas well properties (field properties).
Poultry packing establishments.

Sawmills.
+Sisal, hemp and other vegetable fiber warehouses.

All auxiliary buildings located on the same premises and operated in connection with the classes described in paragraphs 1 and 2 above.

* * *

3. Floater Forms.

4. Contents of risks described in paragraphs 1 and 2 above.

5. Household furniture or other personal property on storage.

6. Merchandise on storage or for sale (except stocks in manufacturing risks and in auxiliary buildings in connection therewith and located on same premises).

+Buildings of this class and/or their contents (except as outlined in paragraphs 5 and 6 above) when bearing co-insurance symbols 1a or 1b, may be

(CONTINUED ON PAGE 35)

Dunham Heads Commissioners

Advanced to Presidency at Executive Committee Meeting—Read Second Vice-President

BONEY IS ON COMMITTEE

Changes Proposed by Committee on Blanks Adopted at Session Held in Chicago

At the meeting of the executive committee of the National Convention of Insurance Commissioners in Chicago this week, it was necessary to elect officers, inasmuch as since the annual meeting President C. R. Detrick and First Vice-President James A. Beha had left office. Howard P. Dunham of Connecticut, who had been second vice-president, had been elevated to the first vice-presidency when Mr. Beha resigned. He was elected president at the meeting this week. C. C. Wysong of Indiana, who had been elected second vice-president to succeed Mr. Dunham, was elevated to the first vice-presidency at the Chicago meeting. Jess G. Read of Oklahoma was elected second vice-president. R. B. Cousins of Texas had resigned to become president of the San Jacinto Life of Beaumont, Tex. Major Dan C. Boney of North Carolina was elected on the executive committee to take his place.

Some Changes Made in Blanks

Ray Yenter of Iowa, chairman of the executive committee, presided at the meeting, which started Monday morning. The report of the committee on blanks was submitted on which some changes were proposed and the amended form was adopted. The committee on blanks expressed doubt as to the desirability of the insurance companies investing their funds in call loans through a stock broker. It was suggested that this point be discussed in the convention. This will be one of the subjects to be brought up at the annual meeting in Toronto. The blanks committee also suggested that insurance companies be required in their report to give their mail addresses as well as their corporate addresses. In a number of instances these are different.

Canadians Offer Tentative Program

R. Leighton Foster, commissioner for Ontario, and T. G. McConkey, general manager of the Canada Life, who is chairman of the entertainment committee representing the Canadian Life Officers Association for the annual convention of insurance commissioners presented a tentative program for the meeting at Toronto, Sept. 17-19. The program was submitted to Commissioners Dunham of Connecticut, Yenter of Iowa and Button of Virginia for study.

The insurance commissioners did not hold any meeting Tuesday. A session was scheduled but the committee

(CONTINUED ON PAGE 10)

General Agents Meet in Denver

Committees Report Good Year for Organization with Increase in Membership

ABLE SPEAKERS HEARD

T. E. Braniff, Ernest Palmer, C. A. Ludlum, H. C. Stebbins, J. R. Gardner, Others Are on Program

DENVER, June 5.—President J. G. Leigh of Little Rock, Ark., was in the chair at the opening of the fourth annual convention of the association of fire insurance general agents held at Denver, Tuesday and Wednesday of this week.

W. L. Braerton of Denver made the address of welcome, which was responded to by W. L. Wakefield of Hartford. The president's address was delivered by J. G. Leigh.

J. K. Shepherd of Little Rock, secretary-treasurer, in his report showed that the association now has 110 members, located in 30 states. There has been a gain of 32 members since the last annual meeting.

Publicity Committee Reports

The only committee to make a report was that on publicity. James B. Ross, New Orleans, chairman of this committee, was unable to attend. His report was read by Secretary Shepherd. Mr. Ross urged each member to subscribe to the publicity campaign which has been inaugurated in the insurance journals. In commenting on the report of Mr. Ross, President Leigh said that in his opinion this matter of publicity is one of the major subjects for the association.

C. A. Ludlum, vice-president Home of New York group, spoke on "Qualifications of a General Agent." He also discussed briefly "Insurance and the Public." He told of the work being done by the public relations committee of the National Board, concerning the operations of stock insurance by the agency system.

"The Company and the Agent" was the subject of an address by Ashley Cockrell of Little Rock, member of the firm of Cockrell & Armistead, attorneys.

Editor Phillips Speaks

On Wednesday Louis Phillips, New Orleans, editor "American Insurer," addressed the members on "The Association." "The Responsibility of the General Agent" was the subject covered by Herbert Cobb Stebbins of Denver. T. E. Braniff, Oklahoma City, spoke on "The General Agent as an Underwriter and Field Supervisor." J. R. Gardner, Denver, president Merchants Fire of Denver, delivered an address Wednesday. His subject was "Relation of the General Agent to the Company." "The General Agent's Role in Insurance" was the subject of an address by Young E. Allison, Jr., Louisville, editor of the "Insurance Field."

Another able talk was given by Harold M. O'Brien, Chicago, president Chicago Fire & Marine. His subject was "A Company President's View of the General Agents Field."

More than two hundred and fifty persons attended the get together dinner Tuesday evening. C. K. Drew, Denver editor of the "Insurance Report," was toastmaster. Short speeches were made by Charles F. Wilson, Denver adjuster, and Ernest Palmer, manager of the Chicago Board, after which there was dancing.

Mr. Palmer spoke Wednesday on "Public Relations."

Conference on Cotton Commissions

A committee of local agents and delegates from their various state associations met in Atlanta last week with the advisory committee of the Cotton Insurance Association and a committee from the Cotton Fire & Marine Underwriters to discuss the commission question. John Sharp Williams III of Yazoo City, Miss., chairman of the local agents committee, was spokesman for the local men in the cotton states. He declared that the agents felt that the differential between the commission allowed agents through the cotton organizations and that paid under specific coverage was too great. He said that the commissions paid by the company organizations on special transit lines are inadequate. An increase in commissions from 10 to 15 percent from the company associations was asked.

Dargan Spoke for Companies

Milton Dargan, chairman of the Cotton Insurance Association, told the local agents that the organization was brought into being to conserve the cotton business in the south for the agents. He said that many difficulties were presented at the time it was organized but during the last 20 years it has been able to hold business for the agents. The agents were told that fire companies would be glad if possible to accede to their request but that present conditions with regard to the general cotton business rendered it impossible to yield. The agents were asked to cooperate with the Cotton Insurance Association and the Cotton Fire & Marine Underwriters so that the business that is now written can be conserved to the agents.

Agents Did Not Press Point

After the company men had been heard and the difficulties presented, the agents declared that there were difficulties before the cotton underwriters they had not anticipated. They agreed that it would not be advisable at this time to push the question for increased commissions as it might tend to disrupt their present facilities or placing large cotton transit accounts. The agents felt that under the circumstances they would prefer to have these facilities for placing

their cotton lines at a lower commission rather than to attempt to disturb the whole situation and create unfavorable conditions in the south. The agents, however, asked the company men to bear them in mind and when conditions change they urged that another interview be granted.

Conferrees Present

Members of the committee of local agents representing the Interstate Cotton Conference were: John Sharp Williams, Yazoo City, Miss., chairman; E. H. Rebel, Fayette, Miss., secretary; M. L. Calhoun, Selma, Ala.; C. C. Mitchener, Marianna, Ark.; E. Finley Cannon, Gainesville, Fla.; D. I. McIntyre, Atlanta, Ga.; C. P. Mason, Pinehurst, N. C.; R. M. Kennedy, Jr., Camden, S. C.; W. Bruner Smith, Longview, Texas.

Committee and officials representing the cotton underwriters were: Milton Dargan, chairman of the Cotton Insurance Association; W. R. Prescott, general agent, Hartford Fire; S. Y. Tupper, manager, Royal; Dowdell Brown, manager, Commercial Union; R. B. Barnett, Fire Association; J. H. Hines, United States Fire; C. W. Bickerstaff, manager of Fireman's Fund; E. B. Proctor, manager of the Cotton Insurance Association, and V. C. Vaughan, general agent of Cotton Fire & Marine Underwriters.

Two Important Meetings

NEW YORK, June 5.—A further meeting of the reorganization committee of the National Automobile Underwriters Association will be held here June 7.

The New Jersey committee of the Eastern Underwriters Association is meeting today with representative agents of New Jersey in an endeavor to work out an amicable commission arrangement for the state. How successful the conference will be remains to be seen, company managers appreciating that any drastic action taken with respect to commissions in any state under the jurisdiction of the Eastern Underwriters Association is sure to have an influence upon other territory.

CONDENSED NEWS OF WEEK

First shot is fired in the central west against nonaffiliated competition with the extension of the term rule and the probable increase in commissions, taking the 20 percent class to 25 percent.

Page 3

Executive committee of the National Convention of Insurance Commissioners held its meeting in Chicago this week.

Page 3

Case involving Texas commission order set for trial July 8.

Page 4

Underwriting is the principal duty of the general agent, President J. G. Leigh tells general agents' convention.

Page 6

Herbert Cobb Stebbins analyzes general agent's responsibilities to the insurance business and the public.

Page 5

Kansas City Fire & Marine being organized by the R. B. Jones & Sons agency in that city.

Page 8

Oppenheimer Brothers, Kansas City local agents, announce plan for new million dollar fire company in that city.

Page 8

Combines in insurance business are the order of the day, T. E. Braniff tells general agents' convention.

Page 8

Postoffice department starts investigation into activities of unlicensed foreign companies.

Page 9

C. A. Ludlum addresses general agents' meeting on functions of general and local agents.

Page 11

National Board plans to broaden the scope of its advertising.

Page 12

Association of Fire Insurance General Agents holds annual meeting in Denver.

Page 4

Agents confer with company representatives as to commission on cotton.

Page 4

Harold M. O'Brien, president of the Chicago F. & M., addresses the general agents' convention in Denver.

Page 5

Pacific Board delays action on term rule. Bassett companies adopt it.

Page 5

The Pacific Coast managers of Bassett companies restate their stand on separation.

Page 6

The National Underwriter opens a New England branch office with J. M. Dempsey in charge with headquarters at Boston.

Page 10

Young E. Allison, Jr., tells general agents how they can assist in disseminating insurance education in and out of the business.

Page 9

C. R. Lamont, secretary-manager of the Eastern Automobile Underwriters Conference, has resigned.

Page 31

Health & Accident Underwriters Conference holds annual meeting in Chicago.

Page 37

The National Bureau of Casualty & Surety Underwriters seeks to get W. F. Moore to head its plate glass department.

Page 37

Local agents throughout the country commend stand of American of Newark on its non-policy writing agents standard.

Page 8

Set Texas Case Over to July 8

Validity of Commission Order of State Insurance Board Is at Issue

FOUR SUITS ARE FILED

Atlantic of Dallas Joins Three Companies Already in Court—Agents Upheld Action Taken by Board

AUSTIN, TEX., June 5.—The District court here has set for trial on July 8 the suit brought by the Commercial Standard of Dallas, attacking validity of the order of May 1 issued by the State Board of Insurance Commissioners prohibiting payment to local agents of commissions on fire insurance exceeding 20 percent and on automobile business in excess of 25 percent.

Settings were not made in three other identical suits filed by the Gulf, the Utility and the Atlantic, all of Dallas. A decision in any one of the cases would be a test of the others, as the allegations are the same.

Seek Vacation of Order

The attacking companies are seeking a court order to compel the Board of Insurance Commissioners to vacate its commission rules and regulations, on the ground that the board is without authority to issue them; that the rules and regulations constitute an unreasonable interference by the insurance board in internal operations of insurance companies; that they interfere with the right of contract and destroy property rights without due process of law, and that they tend to strip small companies, particularly Texas companies, of their only legitimate means of competition with the large foreign and eastern companies.

Agents Favor Board's Stand

The Texas Association of Insurance Agents sent out letters to the agents of Texas, asking for an expression from them in regard to the commission order of the board of insurance commissioners.

At the end of last week 990 replies had been received,—660 of which were in favor of the commission order and 330 against.

Commenting on a letter mailed from Dallas, bearing the signatures of some Dallas and Fort Worth agents, asking for contributions for the formation of an agents protective committee to secure the passage of a bill to prevent rate cutting in Texas by companies for purely competitive purposes, Secretary D. G. Foreman states that this movement is connected in no way with the Texas Association of Insurance Agents.

Fourth Company Files Suit

A fourth Texas company, the Atlantic Insurance Company of Dallas, filed suit Friday attacking validity of the order of the state board of insurance commissioners prohibiting payment to fire insurance agents of commissions in excess of 20 per cent. Allegations in the Atlantic's petition are the same as those made in the petitions filed ten days ago by the Commercial Standard, the Gulf and Utility, all of Dallas.

J. H. Pike

J. H. Pike has been appointed state agent of the State of Pennsylvania for Maine, Massachusetts and Rhode Island with headquarters at 40 Broad street, Boston. He has been traveling for the Atlas.

How in order the insurance was expanded, committee of insurance, part he, the interests, therefore, temporarily, I am sure, importunate than a business, notwithstanding men as before aggravated among themselves, adjusted between the production and monies cult to us. "So let able carriers, the nation, it will be that the manness is concerned. The against must prevail after the companies accomplish interesting by the developed such as inspect ways. "In me find new investments carriers than the advertising promises unfair stock of companies and local for satisfaction. "Ed... "In su... ing at a... of the in... percenta... policyholders compare not only when an... many o... companies losses is... tions of

General Agents' Responsibility Topic

H. C. Stebbins Analyzes Position of Field Leaders

How the general agent must function in order to bear his responsibilities to the insurance business and the public was explained by Herbert Cobb Stebbins, chairman of the executive committee of the Association of Fire Insurance General Agents, at the meeting of the association in Denver, June 4-5. In part he said:

"We should also bring to the attention of the people that the insurance companies are taxed to the extent of over \$80,000,000 annually and that less than 4 percent of the sum collected is used to serve policyholders through the operation of insurance departments, and that the sum remaining is utilized by the states for other purposes and thereby reduces the taxes imposed on the citizens which they would otherwise have to pay. Does it not follow, therefore, that the continual reduction of insurance rates causes increased taxation of the public?

Take Interest in Politics

"The insurance business has been and continues to be so exploited by the various state governments and so unjustly attacked by publicity seeking politicians and vicious newspapers that we must interest ourselves in politics in self-defense. Every man engaged in insurance should take an active interest in politics and if not directly in politics himself should satisfy himself as to the attitude of every candidate whom he supports for any political office. Wherever a well informed insurance man seeks public office, the fraternity should support him 100 percent, for the majority of legislators show an appalling ignorance regarding the fundamental principles of insurance and by their actions give the impression that they regard every premium dollar collected which is not returned to the policyholders through loss payments as a profit to the companies.

"One of the most regrettable situations in our business is the fact that there are too many company representatives who are inclined to themselves criticize our 'rate making' and other organizations, and who concur in the opinions of uninformed local agents or policyholders when unfair statements are made, rather than pleasantly but patiently and firmly support the requirements of our various organizations and intelligently explain the reasons therefor.

Managers' Confidence Asset

"We have no greater asset in the general agency business than the confidence of our company managers and our local representatives, and with the general agency system now showing an unprecedented growth throughout the country, it is vital for us to so operate our general agencies as to gain the lasting cooperation, trust and respect of local agents and company executives. To this end we must unhesitatingly raise our voices against those pernicious phases of the general agency business now found in certain quarters which destroy the confidence of many local agents in the good faith of general agents as a class, and ever denounce the so-called general agency appointments sometimes made for no other purpose than the securing of a choice local business through the payment of excess commissions under the guise of a general agency contract.

"If we would not shirk our responsibility to our fellow general agents, then we must obtain an unassailable position of integrity which can be maintained only by rendering a distinctive, valuable and necessary service entirely outside of

prevention of losses is even a greater one. That portion of the premium dollar collected which is utilized in preventing the loss of life, limb, property or income is paying for a much greater service rendered to the policyholder than the mere payment of losses.

"We should also bring to the attention of the people that the insurance companies are taxed to the extent of over \$80,000,000 annually and that less than 4 percent of the sum collected is used to serve policyholders through the operation of insurance departments, and that the sum remaining is utilized by the states for other purposes and thereby reduces the taxes imposed on the citizens which they would otherwise have to pay. Does it not follow, therefore, that the continual reduction of insurance rates causes increased taxation of the public?

Adjustments Are Needed

Before this can be accomplished those aggravating differences which now exist among certain of the general agents themselves as well as between various of the insurance companies should be adjusted. Then with the relations between the various forces engaged in the production and writing of insurance harmoniously blended, it will be less difficult to utilize them for this constructive purpose than at the present time.

"So long as there exists any reasonable cause for local agents, general agents, or company managers to question the good faith of their fellows in the business, it reasonably follows that it will be difficult to convince the public that there is no cause for criticism of the manner in which the insurance business is conducted.

Public Prejudice Harmful

"The public is largely prejudiced against the insurance business. We must pattern our publicity methods after those of the great public utilities companies which in the past decade have accomplished marvelous results through interesting the public in their business by the sale of stock, through highly developed advertising, by actual contact such as inviting the public to visit and inspect their properties, and in other ways.

"In many sections of the country we find newspapers flooded with the advertisements of certain forms of insurance carriers operating along different lines than the old line stock companies. These advertisements contain extravagant promises regarding their methods and unfair statements regarding the old line stock companies which we represent. Companies, general agents, field men, and local agents must unite in a plan for satisfactorily combating such attacks.

Educational Work Necessary

"In supplying information to the public we should never overlook emphasizing at all times the fact that criticisms of the insurance companies based on the percentage of premiums returned to policyholders through loss payments as compared with premiums collected are not only entirely unfounded, but indicate, when analyzed, entire ignorance of the many other services rendered by the companies, for, while the payment of losses is one of the most important functions of the insurance companies, the

Wields Gavel



J. GILBERT LEIGH
Little Rock, Ark., president of the Association of Fire Insurance General Agents, who presided at the Denver convention of the organization this week.

the realm of direct production, and desired by local agents and companies alike and in no way competing with the local agent or usurping the position of the company executive."

Bassett Companies Will Write 5-Year Business

SAN FRANCISCO, June 5.—The Pacific Board has referred the question of the five-year rule back to the committee for reconsideration. Because of numerous protests, the board at its meeting last week virtually rescinded its recent approval of the five-year term rule, which was designed to permit the writing of three-year business for five years in California.

However, W. W. & E. G. Potter, Pacific coast managers of the Bassett companies, have announced that their companies will write such business. In their announcement to agents, granting them permission to use the five-year term, the Potters declare that they have been champions of such a regulation in the past.

"It has been customary," their notice to agents says, "in all territorial jurisdictions of fire insurance companies, except the so-called Pacific Board territory, to write policies for terms of five, three and one years. For reasons never understood by us, but concurred in by us during our membership, the Pacific Board has prohibited writing policies covering for a longer period than three years.

"Being now relieved of our obligation to observe the rules of the Pacific Board, we advise you that you may write for a period of five years for three annual premiums any and all acceptable business which we have heretofore authorized you to write for three years."

Milwaukee Firemen School Instructors

William Leppold, instructor of the Milwaukee fire department, and six men from the department will give instruction in fire fighting at the University of Illinois June 18-21. The University of Illinois has had the services of a squad of Chicago firemen in past years. The men will give similar instruction at the firemen's school which will be held at the University of Wisconsin June 26-28.

General Agents Aid in Growth

Harold M. O'Brien, Chicago F. & M. President, Tells How They Help Companies Expand

IS CONVENTION SPEAKER

Analyzes Three Methods of Operating in Territories Far Distant from Home Offices

In an address in which he likened the fire company to the father of three sons—general agent, special agent and branch manager—and the grandfather of a multitude—the local agents—Harold M. O'Brien, president of the Chicago Fire & Marine, told the general agents gathered in convention in Denver this week that in his opinion the company that is comparatively new and is growing can best operate on the general agency plan. In part he said:

"Who is best qualified to guide the local agent and achieve the best results under present conditions—general agent, special agent, or branch manager? That is the question that confronts the companies today. Each son seems to have qualifications that would fit him to develop the agents under different conditions. It therefore resolves itself to the question of how the father can keep the three sons and his grand-children in his business and get the best results.

General Agent Valuable

"In looking over the family, the general agent appears to resemble his father more closely than either of the others. His judgment is good, his general knowledge of the business much better than that of either of the others. He has always been closer to the father than either of the other sons. He has been the most studious of the three, he is more mature, steady and reliable and he is always willing to follow instructions. So old man company says to him, 'general agent, you know I cannot do the things I once did when we had a small family. I cannot get around to see my grand-children and advise and counsel with them as I used to. My time is too taken up at home and the family is getting too large, so therefore you must assume some of the responsibility of the family now.'"

General agent says, "Yes, you are right. There are certain territories in which you are entirely out of touch with the family for one reason or another. I know that I can get better results for all if I am given complete charge of a territory, and of course I will report everything to you and follow your instructions, as there are conditions that arise constantly where I must have authority to make a decision."

Local Conditions Vary

"In every insurance company, conditions in the same locality, as to the best method of obtaining the proper results, may differ. One company may get better results by operating direct, another by general agents and another by a branch manager. It all depends on the amount of money available to expend in developing the business in the territory. With the mounting acquisition

(CONTINUED ON PAGE 35)

Potters Restate Stand in Letter

Refuse to Comply With Board's Request to Return Supplies

ANSWER SENT TO AGENTS

Pacific Coast Managers of Bassett Companies Say Rating Bureau Should Be Independent

SAN FRANCISCO, June 5.—W. W. & E. G. Potter, Pacific coast managers for the Neal Bassett companies, who recently resigned their membership in the Pacific Board, in a letter to the board state that they consider all rate books, tariffs, supplies, etc., received from the board during their membership, as the property of their office. This letter was in response to a request made by the board for the return of its various supplies which are supposed, under the constitution, to be only in the hands of company members or their agents. The letter reiterates the stand of the companies as regards cutting of rates and also expresses the thought that they are in accord with the formation of a strictly rating organization.

The Potter office has sent a copy of the letter to all of their companies' agents on the Pacific Coast stating that they believe in taking this action, they are giving them the best explanation for the controversy which seems to be developing.

The letter addressed to W. A. Newman, assistant secretary of the Pacific Board, is as follows:

"We have before us your letter stating that

"In view of the resignation of your companies from this organization, I am instructed to request that you return all rate books, tariffs, schedules and constitutions and rules to this organization, inasmuch as such data remains the property of this organization and is only issued to members for their use. Thanking you kindly for early attention, I remain"

"Replying thereto, we beg to point
(CONTINUED ON PAGE 21)

Avoidable Defects Crop Up in Settling of Losses

The loss department of an insurance company is the "dissecting room," where all the defects in the structure are disclosed, said Thomas F. Buchanan, general adjuster of the Aetna, speaking before the convention of the North Carolina Association of Insurance Agents at Charlotte last week. Mr. Buchanan continued in part:

"In the writing of a policy, you should first determine if there is an insurable interest; and if one exists, be sure to see that it is properly disclosed in the contract. If there are mortgage interests, be sure that they are included and that the proper mortgagee clause is used.

Duty to Know of Changes

"Having established the insurable interest, the next step should be to ascertain the intent of your client with regard to the property to be insured. We find that on the part of many agents there is a tendency to take too much for granted. We firmly believe that, whether this is a new policy or a renewal, a personal inspection of the property should be made in order to prepare a contract which will properly cover it. You are well aware that many changes occur in the life of a policy which the policyholder never thinks about, and it is your duty as agents to make an intelligent attempt to keep in touch with these changing conditions.

Know About Other Insurance

"Having established the subject matter of the contract, information as to other insurance carried should be secured. If the business is divided among two or more agents, you should review all of the policies in order to be sure that the form of coverage is concurrent. It is no unusual thing to find a business man dividing his insurance among several agents, and you will save him from himself if you accept this situation gracefully and prepare a form for him which will properly cover him, and copies of this can be given to each agent who receives a share of the business. Rulings by the courts are generally governed by the principle that the method of apportionment selected must be the one which will give the claimant the largest possible amount of recovery, subject, of course, to the limitations of the contract by the operation of the coinsurance or other restrictive clause.

"The next step is the determination

of the amount of insurance to be carried. This is a very important requirement. We do not want to give a man an excessive amount of insurance on his property, realizing that to the weak or unscrupulous man, the way is opened to attempt a fraud on the insurance companies. On the other hand, we do not want an honest man to be paying a premium on an amount of insurance which he can never collect, even if his property is totally destroyed.

Change in Location

"Another situation which frequently confronts us is that where a loss occurs and we find that the property insured has been moved to another location without knowledge of the company. We endeavor to deal broadly with questions of this nature, and if we find upon inquiry that the agent would have made the transfer if he had been requested to do so, and the company would have accepted the liability at the new location, liability is accepted and the loss is paid. In fact, in many of these cases the assured meets the agent on the street or in any other public place and tells him that he has moved, and, owing to pressure of other business and failure to make proper notation, the matter is entirely overlooked and passes from the agent's mind. Many of you can recollect incidents of this nature.

"Another problem which frequently confronts us is that occasioned by the agreement of an agent to bind insurance upon a property without the naming of the company whose policy is to be issued. A fire occurs before any action is taken and, as the agent generally represents a number of companies, any one of whom would have accepted the risk, the situation is a cause of serious embarrassment to all concerned.

"Another fruitful source of trouble is caused by an agent's failure to follow the instructions of his companies with regard to the cancellation of policies. It is a pretty good rule to cancel first and ask for reconsideration later. It is advisable to follow the requirements of the contract with regard to cancellation and not to rely upon a broker, or other indirect means of communication. The agent for an insurance company is liable to his principal for failure to promptly communicate notice of cancellation to the insured, and his prompt communication of such notice to an intervening broker will not relieve him."

Underwriting Is Principal Duty

J. G. Leigh Explains What General Agent Must Do to Justify His Existence

GIVES ANNUAL REPORT

Addresses Association Meeting in Denver on History and Present Practice of Supervision

After presenting a review of the general agency system's history at the meeting of the Association of Fire Insurance General Agents in Denver this week, J. G. Leigh of Little Rock, Ark., president of the association, said that the prejudice which some companies hold toward general agencies arose not from the system itself, but from perversion of the system, and was caused by some companies' making general agency contracts with local agents for the purpose of using the higher commission to influence local business away from a competitor.

He referred to the resolution adopted at the 1928 annual meeting which condemned the practice of general agents contracts being given to local agents for the purpose of acquiring the local business of such agents. Continuing he said:

"We recognize fully that there are many legitimate, efficient thoroughly ethical general agency offices in the United States that are engaged in the local business and have been for many years, among the number some of the oldest general agents in the country. These we welcome into this association.

Must Justify Existence

"However, it is obvious that a general agent must justify his existence as an underwriter and field supervisor without any reference to his ability to develop local business in the town where he lives, and that abuse can not be avoided if the general agent engages in the local business at all. The association accordingly adopted Section 3 of the constitution as follows:

"Article 3. Only bona fide fire in
(CONTINUED ON PAGE 17)

PROMINENT AT GENERAL AGENTS' MEETING IN DENVER



LOUIS E. ENGLISH, Richmond, Va.
Vice-President of General Agents



HERBERT COBB STEBBINS, Denver
Chairman Executive Committee

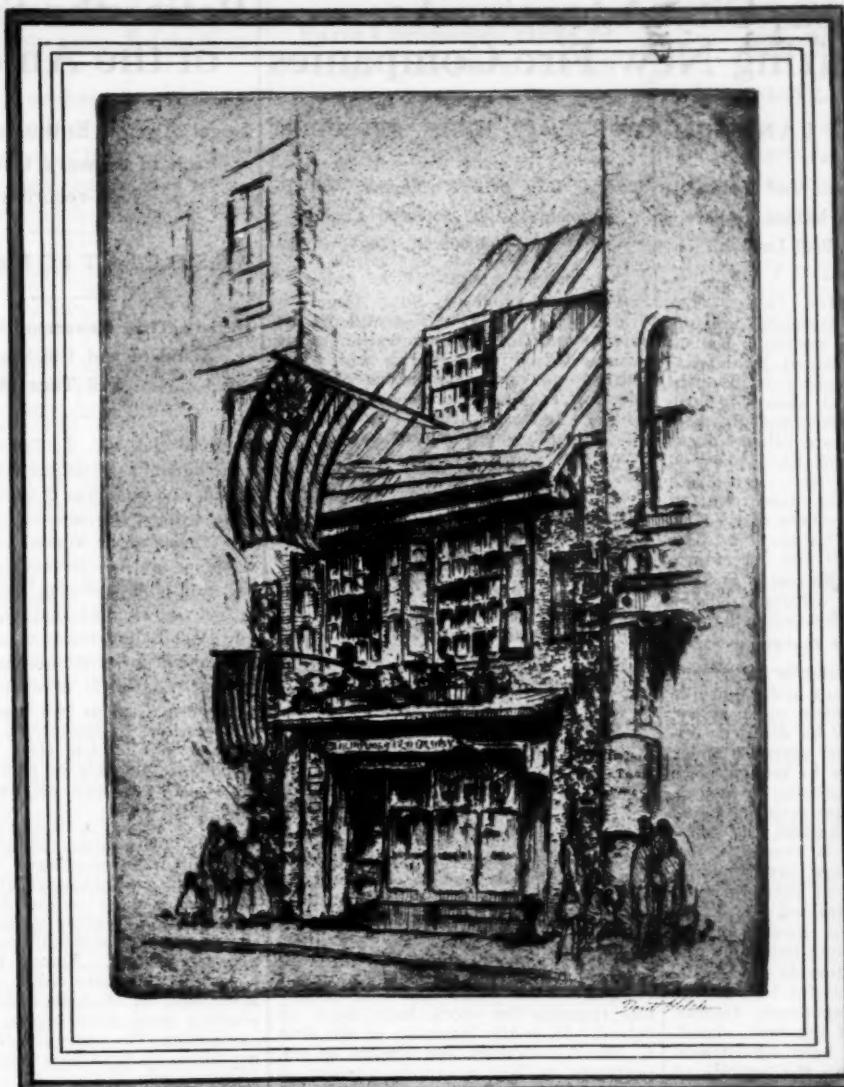


THOMAS E. BRANIFF, Oklahoma City
Member Executive Committee



ERNEST PALMER
Manager Chicago Board

house,
to the p



100

years Old!

—and still going strong

WHAT American does not cherish the charming story of how the deft fingers of Betsy Ross fashioned the first American flag? This spirit of patriotic devotion is a glorious heritage of America.

Whatever measure of success the Franklin Fire Insurance Company may have achieved in its 100 years of operation can be attributed in large measure to its unwavering devotion to principles of equal justice and willing service to its local agents and patrons.

***The FRANKLIN FIRE INSURANCE CO.
of Philadelphia***



Combines for Progress Seen

T. E. Braniff Presents to General Agents' Convention Acute Economic Study

CHANGES ARE NOW RAPID

Mergers in Miscellaneous Business Lines Point Way in Which Producers Must Go

In his address before the meeting of the Association of Fire Insurance General Agents in Denver this week, T. E. Braniff of Oklahoma City said that mergers in all lines of business are the order of the day, and that in many instances, general agents and local producers would benefit themselves by taking a hint from other enterprises and forming combinations for handling insurance. In part his address follows:

"The general agency system is indissolubly linked with the local agency system. In fact the general agency should be a conveniently located, completely equipped, thoroughly understanding and sympathetic clearing house for the agents' needs. The granting of excess commissions to local agents as a bid for their business has made it necessary for some company organizations to prohibit general agents' engaging in the local agency business. Most of us have found it either necessary or expedient to conform to this ruling.

Grouping Is Successful

"The grouping of insurance companies under central control has already been demonstrated as an economical, efficient and successful method of operation. As time goes on the merging of general agencies will become essential to meeting the constantly increasing economic pressure. There are already many places in which mergers of existing general agencies could be effected with conspicuous advantage to all concerned. Such mergers would result in improved facilities to all agents served, in selection of the best methods and the most capable personnel from among the offices consolidated, in elimination of the least capable employes, and the increase in volume of premiums written would greatly enhance the net profits of those interested."

"Of all places where the merging of business in the interests of economy efficiency and increased earnings are needed the most, the local agency is the best example. The local agent is years behind the times. He is our friend and customer and his welfare should be our chief responsibility. He has been confronted with many difficulties which impair his progress and reduce his earnings. He has seen the business of his local merchants disappear from his books because they have become parts of mergers and their insurance has been written by large city brokers. These brokers are in touch with the financial interests providing the funds which are a dominating part of every merger of consequence. They are skilled in writing contracts and the procurement of minimum rates on such deals and are almost invariably able to render the assured a service and a saving which are highly attractive."

Sources Are Controlled

"Companies are not less willing to write business for their local agents than for big city brokers, but the companies

Two Kansas City Agencies Are Organizing New Fire Companies

OPPENHEIMERS' PLANS TOLD

Kansas City, St. Louis and Louisville Men Interested in Million Dollar Company They Will Launch

KANSAS CITY, MO., June 5.—The formation of a new \$1,000,000 fire and marine company to be located in Kansas City and to be dominated by Kansas City capital is announced by Oppenheimer Brothers, local agents. Associated with the Oppenheimer Brothers in the new risk firm are other Kansas City business men and St. Louis and Louisville investors.

Headquarters for the new company will be located at the offices of the Oppenheimer agency in Kansas City. The company's offices and the directorate will be dominated by Kansas City men, and the surplus and earnings will be invested in Kansas City property.

One of Series of Companies

Although the company is to be one of a series the St. Louis and Louisville investors hope to form in other states, the company here will be distinctly independent and will be operated under home control. This is in keeping with the plan of the out-of-town investors, whose object is to center each individual company's activities around the community in which it is formed. The steady growth in Kansas City's building activity over a period of years is given credit for having attracted St. Louis and Louisville business men. A similar company to the one being formed here is now in operation in Louisville, and it has been successful beyond the expectations of its sponsors, George Oppenheimer, head of the firm, stated.

The contracts have been signed, and attorneys are preparing the articles of incorporation, which will be filed immediately. The company will have a capitalization of either \$400,000 or \$500,000, with a surplus equal to the capital, according to Mr. Oppenheimer.

May Not Start Until Fall

"Kansas City's growing importance as an insurance center has offered an interesting study," Mr. Oppenheimer said. "Capitalists have been attracted to the city, with a view to forming companies here. It is recognized as a rich field."

Mr. Oppenheimer gave assurance that "much of the capital and most of the premium revenue of the new company will go right back into Kansas City property."

Due to the long period of time it requires to incorporate, the company will not likely begin writing before early fall. The offices of the company will be at 308 Orear-Leslie building, 1012 Baltimore avenue.

do not control the sources of business and must consider it on its merits from whatever source it is offered.

"The local agent has been prone to demand higher commissions from his companies as a panacea for the diminishing net returns reflected in his profit and loss account. His records reveal the increasing difficulty of maintaining premium volume and the ever increasing expense of transacting business. But increased commissions provoke antagonism on the part of the insurance departments and purchasers of insurance, they broaden the opportunities of mutuals and reciprocals and profit sharing organizations, and particularly does the broker and the non-admitted company regard them with glee because their payment to local agents increases

MORTON T. JONES, PRESIDENT

Kansas City Fire & Marine Will Be Launched With \$500,000 Capital and \$50,000 Surplus

The R. B. Jones & Sons Agency in Kansas City, Mo., has completed arrangements for the organization of the Kansas City Fire & Marine with \$500,000 capital and net surplus \$50,000. Morton T. Jones is to be president; Cliff C. Jones, chairman of the board; R. Bryson Jones, chairman executive committee; Cary W. Jones, treasurer; R. L. Stewart, secretary; Charles M. Howell, general counsel; Moulton Green, J. R. Sydnor, George W. Kerdel, James A. Railey, vice-presidents. Cliff C. Jones of this agency was formerly president of the National Association of Insurance Agents and is well known to the fraternity.

Fortieth Anniversary

Morton T. Jones in commenting on the new company said that on July 1 of this year his agency will celebrate its 40th anniversary. It is planned to launch the company in celebration of that event. Mr. Jones said that a number of business men, who are friends of the agency in Kansas City, have urged the firm to organize a company of its own. A survey was made as to the possibility of having a strong Kansas City company and it seemed an opportune time to put such in the field. The capital and surplus, he asserted, will be increased from time to time. There will be no promotion expense. He said that it will be strictly a board company. Mr. Jones said that numerous requests for stock have been received. It is the intention of the firm to afford customers and friends an opportunity to buy a certain amount of stock. It was first proposed to have \$200,000 capital and \$300,000 net surplus.

Applications for Stock

When the news of the Kansas City Fire & Marine being organized became known, R. B. Jones & Sons received requests from agents in other sections asking for representation of the company and also the privilege of subscribing for stock. The Jones agency had not anticipated using the company for any wide operations, but on account of these requests it was voted at once to increase the capital to \$500,000 and the net surplus to like amount. It seems that when the Oppenheimer agency announced its company as being the Kansas City Fire & Marine, the Jones & Sons' office did not know that its competitor in the same city had in mind the establishment of a company. This forced Jones & Sons, therefore, to make their announcement and to prove that they had a right to the use of the Kansas City Fire & Marine name. So far the Jones' agency has not solicited any subscriptions. They have come in from Missouri and adjoining states. The firm has some 12,000 customers and it intends to give them the privilege of subscribing for stock. Application will be made for admission to the Western Union.

their opportunity to fatten off the saving they can make for the policyholder by keeping that item at a reasonable minimum. The payment of excess commissions only aggravates the present difficulty. It is unsound and is contrary to the tendency of successful business.

"The local agent has been as individualistic and as backward as the farmer in adjusting himself to the new eco-

(CONTINUED ON LAST PAGE)

Praise the Stand of the American

Local Agents Enthusiastic in Position of Newark Company in Non-recorders

ASSOCIATIONS ACTING

Declare That Movement Will Increase Standard and Efficiency of the Full Time Men

NEWARK, N. J., June 5.—Several state agents associations, numerous local boards and hundreds of individual agents have written President C. W. Bailey of the American of Newark, warmly commending him for his advanced stand on the non-policy writing agent question. It will be recalled that about a month ago Mr. Bailey issued a circular letter to the field force, maintaining that in his judgment business producers should be compensated upon two bases only, i.e., commissions or brokerage. He further advised that on and after July 1, commission would only be paid to bona fide agents who perform all the duties of a recording agent.

This action by a leading company has been enthusiastically received by whole time agents everywhere. It is to be hoped that companies generally will follow the example of the American and reduce the non-policy writing agents to the dimensions of the broker where they properly belong. Among the state associations that have either in convention assembled, or through their leading executives gone upon record as cordially supporting the move of the American are those of Arkansas, New Jersey and Pennsylvania.

The local boards taking like action thus far include those of Newark, Pittsburgh, and Mercer county, N. J. The non-policy writing agent has and still is a prolific source of trouble in many sections of New Jersey, Pennsylvania and other fields, affording as he does serious and unfair competition to the full service representative, who forced to maintain an office, employ help for the writing of policies and other services to the assured, is under an expense which the non-policy writing agent escapes entirely. Collectively the legitimate agents could very effectively serve the business were they to strongly support the American and such other companies as may be induced to follow its example in eliminating their non-policy writing competitors, or rather in having them dealt with solely upon a brokerage basis.

Norman Berry Joins Hole-in-One Club

Norman B. Berry of Nashville, Tennessee, state agent of the Aetna, came into prominence last week in Memphis by scoring a hole in one while playing golf Thursday afternoon. Mr. Berry was one of a foursome, consisting of S. A. Pollard, a broker; T. M. Storm, vice-president of S. M. Williamson & Co., and Dr. N. E. Leake. They were making the 14th hole on the Galloway municipal golf course. Mr. Berry was the cynosure of all eyes on the golf course and increased his physical proportions considerably because of his magnificent feat.

General Agents Can Lead in Insurance Education

YOUNG E. ALLISON SPEAKS

Vice-President of "Insurance Field"
Gives Valuable Suggestions at
Convention in Denver

Young E. Allison, Jr., executive vice-president of the "Insurance Field," speaking on education at the general agents' convention in Denver this week, said in part:

"For permanent results, education is the thing. The individual members of the association must be informed of and kept in touch with the organization policy in that respect. Next, each general agent's staff, and the companies he represents, must be as fully informed. Extension of educational plans to local agency circles and thus through to the insuring public would be further steps.

"Education is simple to talk about, but specification is not difficult. For instance, how many members of this association are in touch with the Insurance Institute of America? Here is an organization that deserves the unqualified cooperation and support of insurance.

"Suppose the Association of Fire Insurance General Agents had a standing committee on education which set out to find what the Insurance Institute has to offer the general agent and his staff, and then undertook to help the institute deliver its goods. Such a committee could be of value, not only internally in that way, but in other directions. It could serve as a clearing house on matters of company policy and local agency relations. The general agent is bound to be peculiarly close to both ends of the underwriting profession. Company views and agency opinions are apt to reach the general agent as quickly as anybody else—and probably from a greater number of angles. That can be a disadvantage. But every disadvantage is a business advantage waiting to be brought under control.

Urge Power Concentration

"Suppose your committee on education should take the month of March and concentrate the full power of the association on a drive for windstorm insurance. With all your offices, field men, agents driving at that one point, there would have to be results. A considerable number of the public would be reached and interested. Your companies would certainly be interested. Everybody would profit.

"The same thing could be done for other lines in other months. Automobile insurance could be stressed in April or May, and suitable periods could be chosen for use and occupancy, rents and rental values and so on. Half a dozen such campaigns a year would take work, but they would produce results of a cumulative nature. You already have a nucleus ready to be used for such a purpose. Through your members such a plan could be effectively applied in increasing circles to the local agencies and on to the insuring public. The results would speak for themselves."

Barber & Baldwin Elect Roome Vice-President

PHILADELPHIA, June 5.—A. B. Roome, who resigned as vice-president of the Independence Fire several weeks ago, has been elected a vice-president and director of Barber & Baldwin, and of each of its affiliated companies, including the Aero Underwriters, Aero (Fire), Aero Indemnity and Aero Engineering & Advisory Service.

Mr. Roome has been active in the work of various company associations and bureaus and was mainly instru-

Farm Companies Have a High Loss Ratio in 1929

Companies writing farm business in the central west and south report that this year so far has been most unfavorable largely on account of the tornado losses in Georgia, Alabama, Arkansas, Wisconsin and other states. April was a particularly severe tornado month for the farm companies.

mental for the calling of the aircraft conference at Washington, which resulted in the promulgation by the National Board of fire prevention rules for airports.

A graduate of Rutgers College, he began his insurance career with the Continental, with which he was connected for many years, subsequently becoming an executive of the Westchester Fire and later vice-president of the Independence Fire.

Vice-President Fred C. White of the Hartford Fire has been on a trip through the west, visiting Minneapolis, Chicago and Cleveland.

Postoffice Inspectors Asking for Information

INVESTIGATE USE OF MAIIS

List of Unauthorized Concerns Given in Inquiry That Is Now Being Made

Investigation is being made by the United States post office department into the operations of unlicensed foreign companies and their reputed agents. A circular signed by two post office inspectors at Philadelphia, which has been a hotbed of the operations of unlicensed companies, has been sent out asking for information regarding transactions with a long list of concerns. The inspectors, A. T. Hawksworth and W. A. Cueman, ask if the relations which those circularized have had with these concerns have been satisfactory.

Asks Information on Losses

Special information is asked as to whether the relations were initiated through receipt of letters from the concerns named, or possibly other com-

panies or agencies not listed, and all those who have had dealings with the concerns are requested to forward all such letters, correspondence and circulars and advertisements, and particularly the envelopes in which they were received. The inspectors desire to know of any transactions, but particularly of any unpaid losses.

The concerns listed are: Keystone Agency, Inc., The North American Agency, Inc., Associated Underwriters Agency, Anchor Ins. & Investment Co., William George & Co., Insurance Factors, Ltd., Landon & Co., Bernhard & Co., Policyholders Union, Inc., Paramount Agency, Inc., W. R. Atkinson Corp., William Stauss, Inc., Universal Underwriters Agency, Fire Office of America, Inc.

The Policyholders Union is a new name in this connection, many agents having received circulars in this name from a point in Delaware, not far from Philadelphia. It is not connected with the Chicago office of the same name.

J. M. Woodroffe Dead

James M. Woodroffe, veteran special agent in eastern Pennsylvania for the Great American and its affiliated companies, died at his home in Philadelphia Tuesday.

INCORPORATED 1799

PROVIDENCE WASHINGTON INSURANCE COMPANY *of Providence, R. I.*

Capital, \$3,000,000

Net Surplus, \$12,580,410

INCORPORATED 1832

VIRGINIA FIRE AND MARINE INSURANCE COMPANY *Richmond, Va.*

Capital, \$500,000

Net Surplus, \$1,325,921

INCORPORATED 1928

ANCHOR INSURANCE COMPANY *Providence, R. I.*

OWNED AND OPERATED BY THE
PROVIDENCE WASHINGTON INSURANCE CO.

Capital, \$500,000

Net Surplus, \$818,557

WESTERN DEPARTMENT

175 W. JACKSON BLVD.

CHICAGO

J. R. CASHEL, Manager

Here There Everywhere

Unceasing-Increasing Travel

by Land, Sea and Air constantly broadens our Agents' field in selling Personal Effects Covers

WHISPER No. 5 Our Agents realize this and use suggestions offered in our new booklet on this

S U B J E C T

YOURS FOR THE ASKING

Commonwealth INSURANCE COMPANY OF NEW YORK

The National Underwriter Is Opening New Branch

DEMPSEY IS THE MANAGER

Will Cover the New England Field
With Headquarters at Boston for the Publication

A branch office has been established by THE NATIONAL UNDERWRITER at Boston, with J. M. Dempsey in charge as New England manager. He is located in the Boston Insurance Exchange at 40 Broad Street, Room 624, telephone Liberty 7973.

For the past seven years Mr. Dempsey has been manager of the Des Moines, Ia., branch office of THE NATIONAL UNDERWRITER. In his new connection, Mr. Dempsey will promote the sale of all publications of THE NATIONAL UNDERWRITER throughout the New England States. By reason of maintaining an office in Boston, he will be able to render quicker and more satisfactory service to insurance men in Boston. His office will carry in stock many publications and services that can be delivered in many cases on the same day ordered.

Mr. Dempsey is familiar with every branch of the insurance business. He has frequently been a speaker at insurance gatherings. He understands the selling side of the business and how sales work may be developed and accelerated. With Boston as his headquarters he will be in a position to aid in solving the selling problems of agents and brokers in all parts of New England.



J. M. DEMPSEY

Kentucky Official May Not Take His Position

It now seems likely that Bush W. Allin of Harrodsburg, Ky., who had been appointed insurance commissioner, will not take the place. Mr. Allin is a local agent and banker. He is interested in other enterprises in his community. In studying the situation he doubts whether he has the time to give to public office. Since S. M. Saufley retired from office and became assistant to the president of the Inter-Southern Life of Louisville, Deputy Commissioner Arch H. Pulliam has been in charge. Mr. Saufley is still acting as consultant in matters where advice is needed. He is being made the contact man for the Inter-Southern Life. In order to get field experience he started out with a rate book and in a short time wrote \$100,000 life insurance.

Plan New St. Louis Companies

St. Louis, June 5.—It is stated here that a group of successful St. Louis business men, who are firmly convinced of the tremendous future possibilities of a fleet of well managed and soundly financed companies embracing the field of fire, life and casualty insurance and centered in St. Louis, propose to proceed immediately with the organization of one or more insurance companies with home offices in St. Louis.

For the present the identity of the financial group behind the new company is being withheld, but it is known that they stand ready to underwrite \$250,000 of the first offering of stock.

St. Paul Pays \$785 for One Set of False Teeth

ST. PAUL, June 5.—The St. Paul Fire & Marine has just settled one of the most unusual losses in its long history.

A Chicago man who carried an all-risk policy issued by the St. Paul recently crossed the Atlantic. During the trip he removed his false teeth while taking a bath and placed them in a glass of water.

A steward, entering the cabin to tidy up, emptied the water through a porthole without noticing the teeth.

It cost the company \$785.

Three Major Insurance Meetings on in Chicago

The Edgewater Beach hotel in Chicago had a busy insurance season this week. The executive committee of the National Convention of Insurance Commissioners held its meeting on Monday. This brought naturally a number of outsiders, including company officials, contact men and insurance organization officials.

The Health & Accident Underwriters Conference started its meeting Wednesday.

The American Institute of Actuaries began its meeting Thursday. In addition there were a number of meetings of committees, including a special committee of the American Life Convention to choose a successor to Claris Adams, secretary and general manager, and the committee on permanent and total disability.

Flying Being Made Safer

Flying is continually being made safer and insurance companies are cooperating in its development by continually widening the scope of aviation insurance, Stuart F. Auer, president of Auer, Inc., Milwaukee insurance office, said in an address before the third national aeronautics meeting at St. Louis, held under the auspices of the American Society of Mechanical Engineers.

Mr. Auer said that most accidents occur because the pilot is untrained or the plane is unfit. He pointed out the high degree of safety which has been attained in flying on schedule over regular routes.

More Communities Enter Contest

Following are the most recent entries in the Inter-Chamber Fire Waste Contest conducted by the National Fire Waste Council, under the auspices of the Chamber of Commerce of the United States; Streator and Wilmette, Ill.; Sault Ste. Marie, Mich.; Nebraska City, Neb.; Bremerton, Wash.; Idaho Falls, Idaho; Yuma, Wash.; Binghamton and Saugerties, N. Y.; Lockhaven, Pa.; Stoughton, Mass.; Middlesboro, Ky.; Honolulu, Hawaii.

Sprinkler Conferences to Meet

Members of the eastern and western sprinkler leakage conferences will hold a joint meeting in Buffalo, N. Y., June 11-13. Several matters of first importance to the business are scheduled for discussion.

Macfarlane on Western Trip

Secretary J. H. Macfarlane of the Niagara has been on an extended western trip visiting the main agencies. He was in Chicago a few days and then left for Ohio and Michigan. Mr. Macfarlane formerly traveled in the western field and is well acquainted throughout the territory.

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Analyzes Term "General Agent"

C. A. Ludlum, Vice-President
Home of New York, Explains
Supervisory Functions

IS CONVENTION SPEAKER

Says That Although Courts Have One Interpretation of Local Agent's Function, Business Has Another

C. A. Ludlum, vice-president of the Home of New York, addressed the meeting of the Association of Fire Insurance General Agents in Denver, June 4-5, on general agency and local agency functions. In part he said:

"The general agent, as that designation is usually employed in our business, is not just as the legal definition would make him. As classified by the courts, every agent having authority to solicit business, deliver policies and collect premiums is technically a general agent. We call them local agents, applying the broader term to territorial supervising offices.

Distinction Becomes Confused

"In recent years, due to competitive conditions, there has arisen some confusion of the distinction. So-called general agency appointments have been made which were clearly intended to attract or divert local agency business, the general agency function being relatively of little significance. Serious disturbance of local agency conditions and temper has been several times brought about in various localities by the unequal and practically helpless situation in which the local agents were placed by the wholesale diversion of their solicitors and indeed of their customers to general agency offices offering full agency commissions to practically every applicant for a policy.

"Also considerable irritation of company management temper has been created frequently by the appointment of a well producing local agent to be the alleged general agent of some company—paying, of course, such compensation to its 'general agent' as is calculated to accomplish the diversion of the local agency business, the real object of the appointment.

Advantages Only Temporary

"Such conditions are manifestly not beneficial to the local agents and the agency system, the companies, nor the bona fide general agency establishments. Individual and temporary advantages may be secured by some, but in the long run reprisals and counter-expedients will certainly be effected, with the only final result that every one is worse off.

"The real general agents have perceived the desirability of reestablishing proper and recognized criteria of eligibility and competence.

Companies Act for Improvement

"The companies also have taken action in some fields and are contemplating doing so in the middle west to strengthen their definitions and check the inconsistent and undesirable developments which have arisen.

"Perhaps as explicit, consistent and comprehensive a definition of a qualified general agent as any is that recently adopted by the Eastern Underwriters Association:

"A general agency is an individual or firm exercising supervision over local agency and field operations of a company or its underwriters department or

(CONTINUED ON PAGE 35)

Head New Kansas City Companies



CLIFF C. JONES



GEORGE OPPENHEIMER

Northwestern National Project Has Been Vetoed

Judge Hoppman of the Dane county circuit court at Madison, Wis., has upheld Insurance Commissioner Freedy in his ruling that the Northwestern National will not be allowed to use \$250,000 of its assets to establish the Northwestern Casualty, a running mate, to write liability insurance in connection with automobile policies. Commissioner Freedy took the position that under the laws of Wisconsin it is not legal for one insurance company to own the stock of non-dividend paying corporations. He does not think that this statute can be construed to permit an insurance company to own the stock of a subsidiary. The question came up previously before the Wisconsin department. The Milwaukee Mechanics desired to organize a subsidiary and have 51 percent of its stock owned by the parent company. The department vetoed the project.

Would Be Separate Company

Judge Hoppman ruled that the conditions under which the Northwestern National sought to organize the subsidiary would give the subsidiary greater powers than the parent. He also ruled that these conditions would make it a separate company rather than a subsidiary and would involve illegal diversion of funds to the subsidiary from the company. Judge Hoppmann ruled that should the company seek to continue its efforts to organize a subsidiary Mr. Freedy would be justified in revoking the parent company's license.

It was pointed out in connection with the case that because insurance companies in some states cannot write certain types of insurance while handling others, the action of the Northwestern National in seeking to organize a subsidiary would aim to overcome this difficulty, and that the company sought to secure the right for its subsidiary to write casualty insurance although it did not itself have the right.

At the home office of the company immediate comment regarding the decision could not be obtained from officers. It was not stated whether the case will be appealed. The entire case has been watched with much interest by insurance men not only in Wisconsin but throughout the country because of the matters involved.

In the action the insurance commissioner claimed that the company's articles of incorporation give it no right to casualty insurance and that it could not obtain the right through the organization of a subsidiary company.

Fire Association Lays Cornerstone of Building

PHILADELPHIA, June 5.—In a ceremony devoid of any frills, President Ochrane of the Fire Association last week laid the cornerstone of the new Irvin building, a memorial to his predecessor in office, which will house the four companies of the Fire Association group.

Officers of the company, members of the board of directors, department heads and as many employees as could gather in Walnut street without tying up traffic attended the ceremony.

Laid in the cornerstone were records to show the future generation how the Fire Association did business in the long ago and how it does business today. Lists of the directors and the employees of the four companies were also sealed in the cornerstone. No addresses were made.

The new building will be 17 stories high, the tallest in the insurance center of Philadelphia. While the steel framework has already been erected and the workmen are putting up the marble front, the building is not expected to be ready for occupancy before the first of the year.

Name Toronto Committees for Commissioners' Meet

TORONTO, CAN., June 5.—Preparations are being made for the entertainment of the insurance commissioners of the United States when they hold their annual meeting here Sept. 17-19. The following general committee has charge of arrangements: T. G. McConkey (Canada Life), C. S. Macdonald (Confederation Life), and J. A. Tory (Sun Life), representing the Canadian Life Insurance Officers Association; R. Leighton Foster, superintendent of insurance for Ontario V. Evan Gray, counsel, Canadian Casualty Underwriters' Association; Lyman Root (Sun Insurance Office), representing Canadian Fire Underwriters' Association; and C. A. Withers (Dominion of Canada Guarantee and Accident Insurance Company), representing various accident insurance companies.

Extend Philadelphia Office Scope

Lehigh and Northampton counties, Pa., together with the state of Delaware, have been added to the territory under the jurisdiction of the Philadelphia branch office of the Liverpool & London & Globe, effective June 15.

Appeal Matter Is Being Studied

Case of O'Gorman and Young Against Two Companies May Go to Highest Court

ACTION IS IMPORTANT

Lower Tribunal Says Police Power of New Jersey Requires That Rates Must Be Reasonable

NEW YORK, June 5.—Whether appeal to the Supreme Court of the United States will be taken from the recent decision of the court of errors and appeals of New Jersey affirming the verdict of the Essex county circuit court in the test case of O'Gorman & Young of Newark v. the Hartford Fire and the Phoenix Assurance, had not been determined to press time this week, though careful study was being given the matter.

The litigation followed the action of the two companies in reducing from 25 to 20 percent the commission allowed the agency prior to March 29, 1928, on which date the uniform commission law of New Jersey became operative.

Calls Statute Inapplicable

The plaintiff agency maintained that the statute was not applicable to the contracts in controversy in that it was in contravention of the 14th amendment to the federal constitution, which provides that no state shall deprive any person of property without due process of law, and further that it violated the constitutions both of the United States and of New Jersey, which prohibit the enactment of any statute impairing the obligation of contracts.

Contract Renewed

After noting that the contract between the agency and the Hartford Fire expired the day the uniform commission law went into effect, and was renewed on that date, it must be assumed, the court said, that the renewal agreement was made within the provisions of that law. As concerned the Phoenix Assurance, however, there was no evidence of termination of the old contract, save the statement by the company that on and after March 29, 1928, it would not pay more than 20 percent commission. The question of implied waiver of contract, the court offered, was usually one for jury determination.

As to the further allegation of violation of the 14th amendment to the federal constitution, the court held that federal and state laws are in favor of the regulation of "the business affairs of persons or corporations which affect the public interest, provided they are reasonable." Several decisions by the court of errors and appeals are then cited as declaring that the fire insurance business is one "that directly affects the interests of the public, and such public interest has been recognized as a subsisting one by the legislature of this state."

Police Power Instanced

As to the matter of commissions in general the court maintains: "Our statute provides that the rates for fire insurance 'shall be reasonable.' Since the commissions paid to local agents naturally enter into the cost of such insurance to the public, and therefore influence the rates which must be charged to the public for such insurance, it is within the police power of the state to require that the commis-

(CONTINUED ON PAGE 35)

Board's Advertising Program Is Extended

NEW YORK, June, 5.—Thoroughly satisfied with the result of the daily newspaper advertising campaign conducted by the committee on public relations of the National Board last year, the committee has been unanimously granted additional funds for the extension of the service during the succeeding 12 months. During the fiscal year 1928-29 the committee expended \$125,000 in advertising in the daily and weekly papers of Missouri, Ohio, Pennsylvania, Alabama and Massachusetts. It is intended to continue the efforts in the states named and as well in the press of 11 other states in different sections of the country during the new year.

Aside from the advertising campaign the committee inaugurated a publicity service that tied up with the efforts of local agents. Under the direction of the committee John W. Longnecker, head of the publicity department of the Hartford Fire, and W. W. Darrow, at that time advertising manager of the Home, addressed agency gatherings in a number of cities throughout Ohio with gratifying results.

Mrs. H. F. Espenscheid Dies

The funeral services for Mrs. Marguerite Stauffer Espenscheid of Danville, Ill., wife of H. F. Espenscheid, well known local agent and former Illinois state agent of the National Fire of Hartford, were held at her late home Monday afternoon. Mrs. Espenscheid died in the Presbyterian hospital in Chicago, Thursday night, following an operation for appendicitis which she had undergone the preceding Monday. She was the daughter of the late J. George Stauffer, superintendent of agencies in the western department of the Fireman's Fund.

Presides at Meeting



RAY YENTER

Insurance Commissioner Ray Yenter of Iowa is chairman of the executive committee of the National Convention of Insurance Commissioners. As such he presided over the Chicago meeting of the officials this week.

Complain of Over-Insurance

The Bronx chamber of commerce has appointed a committee to investigate the report that property is being over-insured. It has been informed that mortgagees in that section of New York City demand more insurance than their property is worth.

Col. Joseph Button Ill at Chicago Meeting

Col. Joseph Button, insurance commissioner of Virginia and secretary of the National Convention of Insurance Commissioners, is confined to his room in the Edgewater Beach hotel, Chicago, due to an infection of his leg. Colonel Button sat in his accustomed seat as secretary when the insurance commissioners met Monday morning. On Monday afternoon his leg began to swell and he was forced to go to bed. A doctor was called and later a nurse

was employed. It was stated that it might be erysipelas. By Tuesday Colonel Button was still suffering considerably but a meeting of the committee on examinations of the convention was held in his room. He is chairman of this committee. It is likely that Colonel Button will be forced to stay in his room for a few days. He is one of the veteran commissioners of the country and a regular attendant at the conventions.

Chicago Agency Is Given Valuable Antique Clock

A bracket clock 214 years old has been presented to Critchell, Miller, Whitney & Barbour of Chicago as a mark of esteem and appreciation for a half century of sole agency representation of the Phoenix Assurance of London. The clock was made in 1715 by Daniel De Lander of London, one of the world's famous clock makers. It is a wonderful piece of mechanism and is well worth examining, which may be done easily by reason of its location inside the entrance of the office of Critchell, Miller, Whitney & Barbour in the Insurance Exchange.

The old Phoenix is a company favorably known in the insurance business. Its record of loss payments in all the world's casualties the last 150 years attracts the favorable consideration of insurers. The office of Critchell, Miller, Whitney & Barbour was organized in 1868 and is one of the largest agencies in Chicago.

H. F. Gregg, assistant western manager of the Royal, is in Ohio this week and will appoint a special agent for the company.

Ashby Hill in St. Louis on Southern Fire Mission

Ashby E. Hill, secretary of the Southern Fire of New York, is in St. Louis to establish the western department of that company. It is expected that Mr. Hill will be in St. Louis for a month and that a western manager will have been appointed at the end of that period. Secretary Hill will begin operation of the department, which ultimately will handle all states in the Western Union territory.

Associated F. & M. Extends Field

The Associated Fire & Marine of San Francisco has been licensed in Missouri. Application for admission to Illinois, Minnesota, Pennsylvania and New Jersey has also been made. The company, which started in business in January of this year, is now operating in eight states in addition to California, its home territory. These states are New York, Missouri, Arizona, Texas, Utah, Oregon, Washington and Colorado.

NIAGARA FIRE INSURANCE COMPANY

95 Maiden Lane
NEW YORK

OTHO E. LANE, President

Established 1850

Automobile.
Marine (Inland and Ocean.)
All Risk Furs and Jewelry.
Aircraft Property Damage.
Fine Arts.
Installment Floater.
Merchandise by Motor Truck.
Parcel Post, Registered Mail.
Surgical Instruments.
Tourist Baggage.

MARYLAND INSURANCE CO. Owned and Operated by Niagara



1720  **1929**

LONDON ASSURANCE CORPORATION

U.S. BRANCH

84 William Street - - New York City

JOHN H. PACKARD, *United States Mgr.* **EVERETT W. NOURSE**, *Asst. Mgr.* **CHRIS. D. SHEFFEE**, *Asst. Mgr.*

A Steady Keel Is Most Appreciated When Most Needed

For over two hundred years the London Assurance has ridden over every difficulty—through every storm—with an ever steady keel.

Over two centuries of faithful service to agents and policy-holders is the good old "London Assurance" record. Of its reputation so well earned, it is pardonably proud. Never shall this organization by any word or deed suffer it to be marred.

Closely allied with the London Assurance, sharing in its ideals of service, is the Manhattan Fire & Marine, the running mate of the parent organization. It is as dependable and financially able as the old London Assurance itself.

Companies of Steady Keel—You will enjoy having them in your agency.

THE MANHATTAN FIRE & MARINE INSURANCE CO.

150 WILLIAM STREET -- NEW YORK CITY

John H. Packard, President

**Everett W. Nourse,
Vice-President**
**Frederick A. Johnston
Secretary**

J. M. Mendell,
Vice-President
Chris. D. Sheffe
Asst. Secretary



NEW HAMPSHIRE FIRE INSURANCE CO. AND AFFILIATED COMPANIES



A GROUP OF STRONG COMPANIES with record of many years of service to the agent, at all times in a cooperative spirit, and well earned reputation for prompt discharge of policy obligations in a broad and liberal manner, a basis of management serving to cement a happy relationship with our agents as the years roll on

NEW HAMPSHIRE FIRE INSURANCE CO.
MANCHESTER, N. H.
ORGANIZED 1869

GRANITE STATE FIRE INSURANCE CO.
OF PORTSMOUTH, N. H.
ORGANIZED 1885

PACIFIC STATES FIRE INSURANCE CO.
OF PORTLAND, ORE.
ORGANIZED 1909

VIEWED FROM NEW YORK

By GEORGE A. WATSON

ORGANIZING GARFIELD FIRE

The Garfield Fire is being organized in New York to transact all fire lines authorized under section 110 of the New York laws. The home office will be in New York City. The incorporators are: Isidor Lasser, Frank P. Ranahan, William E. Shaddock, John W. Henry, Paul E. Fitzpatrick, P. C. Cornell, Mortimer Weinberg, A. W. Renz, James A. Stack, Carl Sherman, George H. Schneider, Vincent Roberts, David Berdon, Clinton Davidson and Paul Krubel.

* * *

DANIEL PALMER PROMOTED

Daniel A. Palmer, who has been Brooklyn manager for Crum & Forster for about six years, has been made production manager in the New York City office of the organization. He was in the local department of the company in New York City for 15 years before he was made Brooklyn manager.

C. B. G. Gaillard has been appointed Brooklyn manager to succeed Mr. Palmer. He joined the Crum & Forster organization when it purchased the Westchester Fire. He is secretary of the Westchester.

* * *

INSURANCE INSTITUTE PRIZES

Four prizes of \$25 each will be awarded by the Insurance Institute of America to the student who during the present year will have attained the highest grade in each of the branches for which examinations are held, casualty, fire, marine and surety.

* * *

WOOD, WESTON PROMOTED

C. H. Wood and C. H. Weston have been appointed assistant managers of the metropolitan department of the North America in New York City. Mr. Wood, who joined the company in 1919,

served first as Georgia special agent and in 1920 was transferred to the eastern Pennsylvania field. He has been in the New York department since last December. Mr. Weston has been associated with Charles F. Enderly, New York manager, in the brokerage and service department, for the last 11 years. Before he joined the company he was in the local agency business.

* * *

GOES WITH GERMANIC

The Germanic Fire of New York has announced the appointment of William Redmayne as assistant secretary. He is in charge of the accounting department, and has had an extensive and varied insurance experience, going to the Germanic from the Liverpool & London & Globe, where he had been employed for the past nine years. Previous to his association with the Liverpool group, he was in the service of the War Department, from 1917 until 1920, and prior to that was, for several years, in the employ of Leslie, Banks & Co., chartered accountants.

* * *

MAUDSLEY IN UNITED STATES

W. T. Maudsley, general manager of the Yorkshire, arrived in New York this week from England. The head offices of the company are in York, Eng.

* * *

KENTNER SAILS FOR EUROPE

Fred W. Kentner, manager in New York for the Travelers Fire, and Mrs. Kentner sailed for Europe May 25. They plan visiting the continental countries and will be gone about six weeks.

* * *

ANNOUNCE GOLF TOURNAMENT

The Underwriters Golf Association will hold its spring tournament at the Shackmaxon Country Club, Westfield, N. J., June 11.

AS SEEN FROM CHICAGO

MAY SETTLE TAX CASE

This week the Chicago city council finance committee received from Samuel A. Etteson, corporation counsel, a proposal that he be authorized to make a settlement with the fire companies in the tax case that has been hanging fire for the last 10 years. A draft of an ordinance authorizing the corporation counsel to carry the settlement into effect if the settlement proposal is approved also was presented. In the settlement proposed, the city's claims for back taxes from 1870 to 1922 will be abandoned. The proposal includes payment for the years 1923 to 1928, inclusive. The amount expected to be recovered is \$1,800,000.

* * *

BASEBALL LEAGUE STANDING

The Chicago Insurance Baseball League, the junior league of the city, shows the following standing as of last week:

	Won	Lost	Percent
Springfield	3	0	1000
Fireman's Fund	2	1	667
F. S. James & Co.	2	1	667
Klee, Rogers, Loeb & Wolff	2	1	667
Sun	0	3	000
Sanborn Map Co.	0	3	000

* * *

COMMENTS ON INSURANCE STOCK

W. S. Conn of Lewis-Dewes & Co., the investment house of Chicago, comments on insurance stocks as follows:

"The insurance stock market showed clearly a lack of interest again last week. While the general list did not sell off to the same extent as during the previous week, it was characterized by an absence of buying orders. Bid

prices in typical stocks evidenced this stagnant condition.

	May 28	June 4	Change
Aetna Fire	710	710	
Aetna Life	1285	1270	-15
Boston Ins.	905	900	-5
Connecticut			
General	2275	2300	+25
Globe & Rutgers	1400	1400	
Hartford Fire	1025	1020	-5
National Fire	880	870	-10

"As a result of this continued weakness, many insurance stocks are now obtainable at price levels that are most attractive for permanent investment, and the old adage that the time to buy is when others are selling will undoubtedly prove true in this instance. Undoubtedly, a large part of the weakness in insurance stocks has been caused by forced liquidations due to the break in the general market, and the desire of the banks to reduce collateral loans. It would appear that, as far as insurance stocks are concerned, the loan reduction move has about ended, and we look for little more pressure from this direction.

"There was no outstanding development during the past week. Hanover Fire increased its capital to \$4,000,000 through a 10 percent stock dividend, and 10 percent purchase rights at \$60. Forty thousand shares of new stock are reserved for distribution to agents and employees, also at \$60. New companies being organized include the Garfield Fire and the Professional Casualty, both in New York, and the Ben Franklin Fire of Louisville."

* * *

Mrs. Pauline Witkowsky, widow of Conrad Witkowsky, for many years one of the well known local agents of Chicago, being a member of the firm of

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Witkowsky & Affeld, died last week. Witkowsky & Affeld were also western managers for the Hamburg-Bremen. James Witkowsky, a son, is in the insurance business in Chicago.

* * *
The partnership of **Osterman & Gross**, 1568 Insurance Exchange, Chicago, has

been dissolved. Business will be transacted by the individuals under their own names and responsibility.

* * *
Ralph W. Tapper, Illinois state agent of the Rhode Island group, has moved to new and larger office quarters at A-1204 Insurance Exchange, Chicago.

CHANGES IN THE FIELD

VOORHIES NOW STATE AGENT

Fireman's Fund Rearranges Field Force in New Jersey and New York Metropolitan District

Manager Charles C. Hannah of the Fireman's Fund, eastern department, announces that Frank G. Voorhies, who has been representing the Fireman's Fund in northern New Jersey as special agent, has been given supervision over the entire state of New Jersey for all the fire companies of the Fireman's Fund Group, with the title of state agent. He will have associated with him Special Agents Percival Collins, Jr., and Theodore R. Roller.

Mr. Collins has represented the Fireman's Fund companies in southern New Jersey with headquarters at Camden, and will henceforth have his office with Mr. Voorhies in Newark. Special Agent Roller is a newcomer to the organization, having been for three years employed as special agent in New Jersey for the Travelers Fire. His first insurance experience was with the United States headquarters of the North British & Mercantile as an examiner in the automobile department. In 1923 he affiliated with Crum & Forster in their New York office as an examiner and later became special agent. He has been with the Travelers Fire since February, 1926.

Lee W. Swift Transferred

Lee W. Swift, who has previously represented the Home Fire & Marine and Occidental in northern New Jersey, has been transferred to the New York metropolitan district, where he assumes increased responsibilities with the title of executive special agent.

The New Jersey special agency office will be located in the Union building, 9 Clinton street, Newark, and Mr. Swift will have headquarters at 83 Maiden Lane, New York City.

Walter Samis, Jr., becomes special agent of the automobile division for New Jersey and the New York metropolitan district. He succeeds Alfred A. Muller, who has been acting in the dual capacity of chief adjuster of metropolitan automobile claim department and New Jersey special agent. Mr. Muller will henceforth devote his entire time to loss adjustment work.

Frank B. Ellms

Frank B. Ellms has been appointed special agent for the Rhode Island fleet for Massachusetts and Rhode Island. Mr. Ellms began insurance work with Field & Cowles in Boston. He had some general agency experience and in 1908 became special agent for the Svea for southern New England, later transferring to the State of Pennsylvania, for which he has covered Maine, Massachusetts and Rhode Island for the past nine years.

A. L. Williams

A. L. Williams has resigned as state agent of the National-Ben Franklin, Superior and Concordia in Tennessee to become manager of the Tennessee and Kentucky department office of the Universal Casualty and Universal Automobile of Dallas at Nashville. He was formerly superintendent of agents at the home office of the Milwaukee Mechanics at the time the company was sold to the Firemen's.

OHLHAVER WITH GERMANIC

Well Known Insurance Man Has Been Appointed Executive Special Agent at Head Office

The Germanic Fire of New York announces the appointment of A. O. Ohlhaver as executive special agent. He entered the insurance business May 18, 1908, with the Northern of London, serving in various departments until Jan. 1, 1918, when he became affiliated with the Phoenix of London fleet. On Feb. 1, 1919, he was sent south as special agent for Georgia, South Carolina and Florida, later having been assigned the title of state agent. On Feb. 1, 1923, Mr. Ohlhaver severed connection with the Phoenix to become associated with the southern department of Crum & Forster as office manager and chief underwriter, and on Jan. 1, 1926, was appointed agency superintendent. While with the Crum & Forster fleet Mr. Ohlhaver studied law and was admitted to the Georgia bar in October, 1925. He severed his connection with Crum & Forster on April 5, 1928, to become manager of the bond department, for the Fulton Industrial Securities Corporation.

H. M. Multer

H. M. Multer, who succeeds Carl Rupert, recently resigned as special agent for the Fidelity-Phenix Fire in the New York suburban territory, has been connected with the engineering department of the company for the past 2½ years, prior to which he was one of its field engineers. His earlier experience was with the New York State Rating Organization.

John D. Boniface

John D. Boniface has been appointed state agent for Pennsylvania, Maryland and West Virginia for the Transportation. His headquarters are in Philadelphia. Mr. Boniface has had years of experience in home office and field. He served the Girard Fire & Marine before it was taken over by the Firemen's of Newark and joined the Firemen's at the time of the merger. He also served in the home office of the North British & Mercantile. He resigned his position with this company to go back into the field as New Jersey state agent and to handle the Philadelphia city and suburban territory for the Mechanics and the National-Ben Franklin of the Firemen's group. He resigned this position to join the Transportation.

Death of Secretary Ermisch

NEW YORK, June 5.—Ferdinand Ermisch, secretary of the Home and assistant secretary of the Franklin Fire, Georgia Home, Harmonia, New Brunswick, and the Home Fire Security Corporation, allied enterprises, died at the Mountain View hospital, Montclair, N. J., following a brief illness. A married daughter and his parents survived. Mrs. Ermisch having died several years ago. Mr. Ermisch had been connected with the Home for nearly 25 years, entering its service in 1905, following some years employment by a trust company. His particular activity was the preparation of annual statements for the fleet companies, in which he was an expert. Kindly in manner, he was well liked by all with whom he worked and come in contact.



New Buildings - New Policies!

WITH every new building that looms against the St. Louis skyline arises the need for new policies to protect them against windstorms.

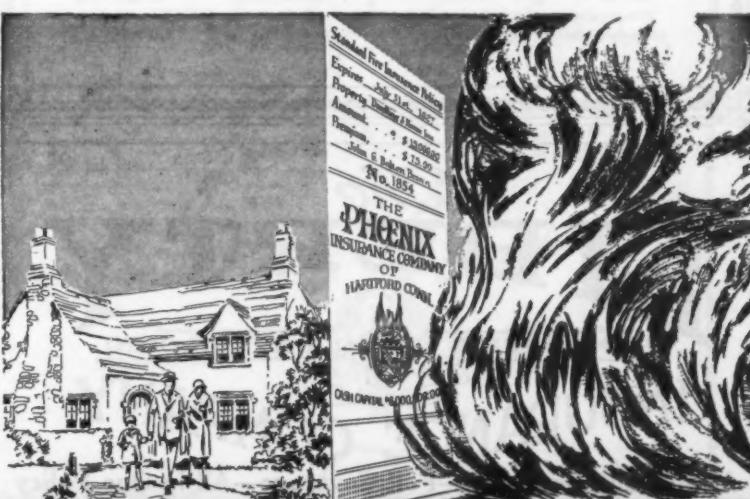
Since the great tornado of September 29, 1927, in which \$20,000,000 worth of St. Louis property was destroyed, prudent property owners and builders have taken out more windstorm policies to guard against the recurrence of such a disaster.

No part of the country is immune from damaging windstorms. Through windstorm insurance, Carolina local agents everywhere are continually strengthening the outposts of protection for homes, factories, and other buildings.

The CAROLINA INSURANCE COMPANY

WILMINGTON
NORTH CAROLINA

NEW YORK OFFICE
59 MAIDEN LANE



TIME TRIED AND FIRE TESTED
SINCE 1854
THE PHOENIX INSURANCE COMPANY
of HARTFORD, CONN.

Small Fires vs LARGE FIRES

The fact that your client has only a small property is no reason for his not needing an *appraisal. Small plants burn just as readily and as easily as the large ones. The fire may not be quite as hot, but the ashes are typical of the same thing in either case—ruin.

Suggest our service to your smaller concerns. And remember:—The low cost is no criterion of its real value.

***WHAT IS AN APPRAISAL?**—It is a complete classified inventory of insurable property (except stock, merchandise and raw materials). Each item of property is valued at today's cost to replace new. The amount of accrued depreciation is determined and the sound insurable value is given.

***IT'S ADVANTAGES**—1st—It discovers insurable values that have long been written off the books through unscientific depreciation—2nd—it gives the agent, the assured, and the companies value facts of property. 3rd—it makes for adequate insurance protection, for in nearly every instance it calls for additional insurance."

The Lloyd-Thomas Co.

RECOGNIZED AUTHORITIES ON PHYSICAL VALUES



4411 Ravenswood Ave., Chicago
120 Broadway, New York

Cincinnati
St. Louis
Denver
Washington
Birmingham

Cleveland
Milwaukee
Toronto
Los Angeles
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Detroit
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Minneapolis
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Berlin

Indianapolis
Memphis
Kansas City
Des Moines
London

The LIBERTY HOME OFFICE DAYTON, OHIO INSURANCE COMPANY

Automobile Insurance—Full Coverage—All in One Policy
Plate Glass and General Liability Insurance

Assets Over 1½ Million—Surplus to Policyholders \$600,000

Agents wanted in Ohio, Indiana, Illinois, Michigan, Kentucky, Tennessee, Alabama, Georgia, Florida, Texas, Missouri, Kansas, Arkansas and Oklahoma.

J. R. Jones,
Sec'y & Mgr.

Competition Growing More Acute

Companies more and more are "viewing with alarm" the increasing competition especially from mutuals and reciprocals in different sections of the territory. It is more acute in some states than others where evidently these companies have been able to swing more policyholders to their doors. Some of the mutuals and reciprocals have grown in size and have become formidable. Many of the mutuals that formerly wrote specialty business have branched out and are writing the better risks in other classes. They have reinsurance

facilities that enable them to take larger lines.

In some states the best business is practically stripped by the mutuals. Agents say that their competition is becoming more and more formidable. Some company officials have been touring through the states to make a firsthand study of the situation and find that the condition is very serious. The matter is being discussed with the higher authorities as to what course can be pursued to remedy the situation confronting agents and companies.

Premature Letter Sent on Commission Move

One Western Union company, believing that the proposal to put all risks in the 20 percent commission class in the 25 percent group had been officially promulgated sent out a circular letter to its agents to this effect. This caused much fluttering of the wings, telegrams and long distance phone calls from field representatives of other companies making inquiry as to the significance of the move. It forced the company to send a second letter recalling the first, stating it was premature. The vote is now being taken by the Western Union, the returns not all being in.

Chittenden Heads Ohio Club

COLUMBUS, O., June 5.—The Ohio Fire Underwriters Association, the Union field club, at its meeting here this week, elected these officers: President, Herbert H. Chittenden, Home of New York; vice-president, Arthur Lohmeyer, Aetna; secretary, A. W. Jones, New Hampshire Fire; executive committee, George A. Lane, Fidelity-Phe-nix; M. F. Grim, Phoenix of Hartford; E. F. Carnes, County Fire, A. E. Douglas of the Homeseekers Fire, Wheeling, W. Va., was elected to membership.

Want More Commissions

Fire agents in the New York suburban territory have petitioned their companies for increased commissions, maintaining that the present scale of 20 percent flat plus 5 percent contingent is insufficient to pay mounting costs of doing business and leave the agents a living margin. In justification of their plea they assert that the business of the field has been more profitable to the companies than that in sections where agents receive greater remuneration. They stress the large amount of detail work required of the local men in supporting their fire business.

That the business in the suburban field has been satisfactory to the companies as a whole is unquestionably true. One reason for it, managers hold, is that agents have been paid a modest commission impelling careful supervision in the selection of risks on their part in order to earn the contingent. They likewise concede that the work required of the local men in handling the business is cumbersome and should be reduced. To what extent this may be done under the strict requirements of the New York law is a question. The matter, however, is one that will probably receive early attention at the hands of the company officials.

May Be Another Purchase

NEW YORK, June 5.—General credence is given the rumored intended purchase of an old established New York City fire company by one of the powerful fleets, also of New York, and the prediction is made that the deal will be consummated within the week.

Aviation Assurance Agents of America Is Organized

Insurance men interested in aircraft insurance formed a national association at Atlantic City recently with William A. Osgood, aircraft insurance underwriter of Kansas City, as president. The association will be known by the name of Aviation Assurance Agents of Amer-ic. It will have as its purpose the furnishing of insurance on aircraft through a national organization of insurance men located at strategical points in the United States where the aircraft industry is most active. The members of this association are established insurance men having offices in the various cities and have been trained and schooled in aviation insurance and make it an important part of their business. The association will place all insurance in the Independence companies of Philadelphia through the Barber & Baldwin organization of New York. The Independence companies were among the first companies to write aviation insurance.

Texas Tax Bill Introduced

AUSTIN, TEX., June 5.—Representative T. E. Mauritz, of Jackson county, today introduced House Bill 26 providing for a state income tax. It places a tax of 5 percent on all classes of corporations, and also taxes individuals. It is the same bill introduced by Mauritz at the first called session of the legislature and killed in committee.

Sabin in Cook County Post

Fred Sabin, Jr., for the past year connected with the western underwriting department of the Corroon & Reynolds companies in New York City, has been appointed inspector for the group in Cook County, Ill. He is a son of Fred H. Sabin, general agent of the North British & Mercantile fleet, and has proven himself a man of capacity and energy.

Wind, Hail, Rain Hit Kansas and Missouri

Violent wind, hail and rain storms burst across the southern half of Kansas and generally throughout Missouri early this week and did damage estimated in the hundreds of thousands. In Wichita, Kan., a dozen airplanes were wrecked at the municipal and Swallow factory airports. A \$75,000 plane running in the Los Angeles-Kansas City service was smashed a few minutes after it grounded from its hop out of Los Angeles. Northwestern Missouri, already flooded, was still further deluged by torrential rains. It is believed that the Kansas wheat crop has been severely damaged by hail.

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Underwriting Is Principal Duty

(CONTINUED FROM PAGE 6)

surance general agents shall be eligible to membership, and no general agency established after May 22, 1928, which is affiliated with or engaged directly or indirectly in the local insurance business, shall be admitted to membership. Written applications for membership must be submitted to the membership committee. Applicant must receive a favorable vote by a majority of the membership committee, subject to the approval of the executive committee, in order to be elected a member.

In Line With Progress

"That this step is distinctly in line with progress and the best thought on this subject is attested by the fact that the principle of this section has been adopted by the insurance companies in every underwriting jurisdiction in the country. Ample time has been given in every case for the general agent to get his house in order and determine how he will operate, and it is not possible now for a local agent to get a fire insurance general agency contract if he remains in the local business or for a general agent also in the local business to add any companies to his list while so engaged.

"This action has placed the general agency in a permanent and dignified position as a necessary and useful factor in the structure of fire insurance and has added greatly to the value of every general agency."

Wrong Impression Harmful

Mr. Leigh said that since the position of the general agent as an underwriter and field supervisor has been clearly defined, the association should set out to correct the impression and practice of regarding general agents' commissions as a part of acquisition costs. "General agents' compensation is no more a part of the acquisition cost of the business than is the field man's salary, traveling expense or any of the expense of the underwriting department at the home office, since the general agent for that commission assumes and relieves the company of all these and other minor expenses usually borne by the home office," he said.

"I recommend that this matter be taken up seriously yet vigorously by the incoming administration because it has an important bearing on the general agent. Many companies have been in the habit of thinking of a general agent as also a local agent, and as a result on many classes of business, rules are passed cutting down the general agent's commission or eliminating it altogether, this being particularly true of specialized lines such as oil, cotton, grain, explosion and the marine lines.

"With the growing tendency to form pools and associations to handle more classes of business, this matter is of vital importance to our membership. The total importance to our membership."

Association Grows Steadily

The speaker commented on the growth of the association in the last year. The organization now has 110 members from 30 states. He suggested that the members organize themselves into state membership committees and assume the responsibility of securing membership from the general agents in their states who are not now members. He said the organization's paid publicity should be continued and strengthened and spread over a larger number of papers in different parts of the country. Community advertising, he pointed out, is bringing excellent results for the association members.

In conclusion Mr. Leigh said:

"We must guard against abuses creeping into the general agency business as in the past. The competition that hurts is from the illegitimate and uninformed in any business. Competition will always be with us, and enlightened competition is wholesome. The fellow who

throws the monkey wrench into the machinery is the fool much more often than the knave. Bring your competitor into this association and subject him to its beneficial influence. I feel that we can look for the fullest co-operation from the companies in all efforts to better our business. I have spent my entire business life in the service of fire insurance companies and have never yet had occasion to complain of any treatment received from one nor to apologize for treatment accorded an agent or loss claimant. I do not know a class of business men who are more appreciative of loyalty or any quicker to reward it."

Meet in Cleveland to Plan Convention

At a meeting of the executive committee of the National Association of

Insurance Agents to be held at Cleveland June 28-29, plans for the annual convention at Detroit will be carefully gone over. It is the purpose of the committee to make the latter gathering of exceptional interest and value to members of the association.

A publicity committee was named with Tarleton Brown of "Western Insurance Review" as chairman, Thomas Kingsley, Jr., of the Travelers Fire, and J. Burr Taylor of the Missouri State Fire Prevention Association.

St. Louis Blue Goose Outing

The St. Louis Blue Goose adjourned Monday luncheons following the last meeting of the season held June 3. In keeping with the pond's intention to have at least four social gatherings each year, a committee consisting of George W. Steinkamp, chairman, Thomas Kingsley and J. Burr Taylor, was appointed to arrange for an outing at Lincoln Beach on the Meremac River. This outing will be held in about a month and the ladies will have a chance to join in the festivities.

Chas. J. Slawson, of the Dulaney, Johnson, Yankee and Priest Agency of Wichita, Kan., is leaving next week for an extensive motor trip to New York and other eastern points.

INSURANCE CLERK WANTED

by a manufacturing concern in Chicago; a young man who knows something about insurance transactions to assist in taking care of the detail work of handling its insurance. Address M-53, care The National Underwriter.

AMERICAN NATIONAL FIRE INSURANCE COMPANY

5 East Long Street COLUMBUS, OHIO

Capital \$500,000

WILLIAM H. KOOP, President
ALEXANDER R. PHILLIPS, Vice-Pres. JOHN A. DODD, Vice-Pres. & Secy.
GEORGE E. KRECH, Vice-President and Secretary
ALLEN W. FLEMING and E. PHILLIP GUSTAFSON, Assistant Secretaries

Progressive, Yet Conservative
Operating Along Sound Lines



Its Name Indicates Its Character
Operating Along Sound Lines

AMERICAN Agents:
Has our Field Man
seen you since our last
announcement? If he has,
we'll wager you're glad
for that particular visit!

The American of Newark

The Thompsons Are Off!



Among "Personal Effects" prospects are school teachers, doctors, professors, and students.

THE Thompsons are off! Henry is on his way to Canada for a hunting trip. Isobel, who teaches school, is embarking for a cruise of the Mediterranean. Frederick is off to a boy's camp in the mountains, while Mother is starting for the seashore with Peggy.

Every member of the Thompson family should have his or her trunks and bags insured with an All Risks Personal Effects Policy. And if you will watch the newspapers and travel bureaus, you will discover many others who are about to depart on vacation trips.

The home office will gladly help Harmonia agents with advertising and selling campaigns to build up Personal Effects premiums.

HARMONIA Fire Insurance Company NEW YORK OFFICE 59 MAIDEN LANE



W. H. KUHLMAN, President

Organized 1865

WM. F. KRAMER, Secretary

The RELIABLE FIRE INSURANCE COMPANY DAYTON, OHIO

Surplus to Policyholders \$1,039,042.00

An independent Ohio Company with a record of more than 60 years of honorable dealing with Agents and Assureds

TODAY'S EGGS BETTER THAN TOMORROW'S HEN

Our experienced staff with electric sorting and tabulating machines will arrange and tabulate the "today's" facts and figures of your business

Promptly — Accurately — Economically

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NEW YORK BOSTON CHICAGO DETROIT MONTREAL TORONTO

NEWS OF THE COMPANIES

RECENT CHANGES ARE MADE

Important Transactions of Various Companies Relating to Merger or Increase in Capital

J. K. Rice, Jr., & Co., New York, investment house, gives this list of insurance information regarding companies in which mergers, capital increases, etc., have taken place since the first of the year:

MERGERS

American-Bankers Indemnity: On March 15 the American announced the acquisition of the Bankers Indemnity of Newark. The terms of the consolidation call for an exchange of 9 shares of American stock for every 10 shares of Bankers Indemnity stock.

* * *

American Surety-N. Y. Casualty: A special stockholders' meeting was called for June 5, to ratify a proposal to merge the New York Casualty and the American Surety. The plan is as follows: Capital of the American Surety will be increased from \$5,000,000 to \$7,500,000. Stockholders of the American Surety will be entitled to subscribe at \$75 per share, to 1 share new stock for each 4 shares held. N. Y. Casualty stockholders will be entitled to subscribe at \$75, for 1 share of American Surety new stock for each 6 shares of N. Y. Casualty stock held. In addition, a cash dividend of \$6 per share will be paid to the stockholders of the N. Y. Casualty. The N. Y. Casualty will then be exchanged on a basis of 1½ shares of N. Y. Casualty stock for each share of American Surety. Stockholders' date of record is June 10 and all subscription rights will expire on July 1.

* * *

Continental, Fidelity-Phenix, Fidelity & Casualty: Stockholders' meeting of the Fidelity & Casualty will be held on June 21 to ratify a proposal to merge with the America Fore group. The plan is follows: 1% shares of Continental and 1½ shares of Fidelity-Phenix will be exchanged for each share of Fidelity & Casualty. In addition, a cash dividend of \$1.50 will be paid to stockholders of the Fidelity & Casualty. After the consummation of this plan the capital of the Fidelity-Phenix will be \$11,800,000 and the Continental, \$17,200,000, and their authorized capitals will be \$15,000,000 and \$20,000,000 respectively.

* * *

Firemen's-Commercial Casualty: On Jan. 30 the directors of the Commercial Casualty accepted a proposal to affiliate with the Firemen's on an exchange basis of 10 shares of Firemen's stock for 9 shares of Commercial Casualty stock. This followed a merger of the Milwaukee Mechanics with the Firemen's on the same basis of exchange, a month previous. The paid-in capital of the Firemen's after these two transactions will be \$18,500,000 and the authorized capital, \$25,000,000.

* * *

Rhode Island: On April 1 the capital was increased from \$1,500,000 to \$1,600,000 by a 6½ percent stock dividend. The capital was further increased on May 1929, to \$2,000,000, at \$30 per share (par \$10).

* * *

Springfield Fire & Marine: On Feb. 15, 1929, the capital was increased from \$4,500,000 to \$5,500,000 at par.

* * *

U. S. Fire: A special stockholders' meeting will be held on June 14 to ratify a plan to increase the capital from \$4,000,000 to \$5,000,000 by a 25 percent stock dividend.

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U. S. Casualty: On April 1 the par value stock was reduced from \$100 to \$25.

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Franklin Fire: On April 15 the capital was increased from \$1,000,000 to \$2,500,000 by a 50 percent stock dividend and sale of 40,000 shares at \$200 per share (par \$25).

* * *

Glen Falls: On May 8 the directors recommended an increase of the capital from \$4,000,000 to \$5,000,000. A 15 percent stock dividend will be paid stockholders and 40,000 shares will be sold to agents and employees at not less than \$50 per share.

* * *

Great American: On May 1 the capital was increased from \$15,000,000 to \$16,000,000, at \$30 per share (par value \$10). A new holding company was also formed.

* * *

Hanover Fire: On March 22 the directors recommended an increase in capital from \$3,000,000 to \$4,000,000. A 10 percent stock dividend of \$300,000 and the privilege to subscribe to 40,000 shares (1 for 10 at \$60 per share) was granted to stockholders. The remaining 30,000 shares were sold to stockholders, agents and employees at \$60 per share.

* * *

National Fire, Ct. I. On May 20, 1929, the directors voted to increase the capital from \$3,000,000 to \$5,000,000, at twice par. A special dividend of \$5 per share was also declared. Stockholders' date of record was May 20, 1929, and the rights expire July 17.

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National Union Fire: On May 9, the capital was increased from \$4,000,000 to \$5,000,000 at twice par.

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New Hampshire Fire: On May 20 the directors recommended an increase in capital from \$2,500,000 to \$3,000,000. A 10 percent stock dividend will be paid to stockholders and 25,000 shares (par value \$10) will be sold to agents and employees at a price not yet fixed.

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Republic Fire, Pittsburgh: On April 30 the authorized capital was increased from \$1,000,000 to \$5,000,000 and the title was changed to the "Republic Fire of America." No new stock was issued.

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Rhode Island: On April 1 the capital was increased from \$1,500,000 to \$1,600,000 by a 6½ percent stock dividend. The capital was further increased on May 1929, to \$2,000,000, at \$30 per share (par \$10).

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Springfield Fire & Marine: On Feb. 15, 1929, the capital was increased from \$4,500,000 to \$5,500,000 at par.

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U. S. Fire: A special stockholders' meeting will be held on June 14 to ratify a plan to increase the capital from \$4,000,000 to \$5,000,000 by a 25 percent stock dividend.

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Rossin: On April 22 the stockholders approved a plan to increase the capital from \$2,000,000 to \$3,000,000 by a 20 percent stock dividend and sale of 60,000 shares of new stock (par value \$10) at \$30. Stockholders' date of record, May 15, and rights expire June 15.

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Hanover Fire:

The Hanover Fire stockholders have approved the recommendation to increase the capital from \$3,000,000 to \$4,000,000 by the issuing of 100,000 new shares at a par value of \$10 each.

* * *

New Hampshire Fire: On May 20 the directors recommended that the par value be reduced from \$100 to \$10 in conjunction with the capital increase.

* * *

Rossin: On April 22 the stockholders approved a plan to reduce the par value

from \$25 to \$10, in conjunction with the capital increase.

* * *

U. S. Casualty: On April 1 the par value stock was reduced from \$100 to \$25.

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CAPITAL INCREASES

American Alliance: On Jan. 17 the capital was increased from \$2,000,000 to \$3,000,000 at par.

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Federal, N. J.: On April 3 the stockholders approved a plan to increase the capital from \$1,500,000 to \$2,000,000 by a 33½ percent stock dividend.

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Fireman's Fund: On April 15 the capital was increased from \$5,000,000 to \$7,500,000 at twice par.

* * *

Franklin Fire: On April 15 the capital was increased from \$1,000,000 to \$2,500,000 by a 50 percent stock dividend and sale of 40,000 shares at \$200 per share (par \$25).

* * *

Glen Falls: On May 8 the directors recommended an increase of the capital from \$4,000,000 to \$5,000,000. A 15 percent stock dividend will be paid stockholders and 40,000 shares will be sold to agents and employees at not less than \$50 per share.

* * *

Great American: On May 1 the capital was increased from \$15,000,000 to \$16,000,000, at \$30 per share (par value \$10). A new holding company was also formed.

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* * *

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Springfield Fire & Marine: On Feb. 15, 1929, the capital was increased from \$4,500,000 to \$5,500,000 at par.

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U. S. Fire: A special stockholders' meeting will be held on June 14 to ratify a plan to increase the capital from \$4,000,000 to \$5,000,000 by a 25 percent stock dividend.

* * *

Rossin: On April 22 the stockholders approved a plan to increase the capital from \$2,000,000 to \$3,000,000 by a 20 percent stock dividend and sale of 60,000 shares of new stock (par value \$10) at \$30. Stockholders' date of record, May 15, and rights expire June 15.

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Hanover Fire: The Hanover Fire stockholders have approved the recommendation to increase the capital from \$3,000,000 to \$4,000,000 by the issuing of 100,000 new shares at a par value of \$10 each. Of this amount 3,000 shares will be distributed as stock dividends. Stockholders will also be given the right to sub-

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scribe for one new share at \$60 for each 10 shares held. The remaining 40,000 shares will be sold to agents and employees at \$60 a share. The premium of \$50 a share on 70,000 shares will amount to \$3,500,000 which will replace the \$300,000 declared as a stock dividend and add \$3,200,000 to surplus bringing that item to over \$13,000,000.

Dunham Heads Commissioners

(CONTINUED FROM PAGE 3)

on examinations met in Colonel Button's room where he was confined to his bed and as the noon hour drew near it was decided to postpone the meeting until Wednesday morning. The Health & Accident Underwriters Conference had invited the commissioners to attend a baseball game Tuesday afternoon between the Chicago Cubs and the New York Giants. Many of the commissioners had been to the game on Monday, but the weather was cool and uncomfortable.

Disability Topic Goes Over

One of the leading topics to come before the executive committee was that dealing with the total and permanent disability clause in life insurance. Owing to the differences of opinion among actuaries and other authorities on this subject it was decided to postpone discussion until the fall meeting in Toronto.

The Canadian people have made elaborate arrangements for looking after the United States delegation. The National Convention of Insurance Commissioners will hold its meeting in the new Royal York hotel at Toronto, Sept. 17-19. The hotel, by the way, was opened Tuesday of this week. It is the largest hotel in the Dominion.

Canadian Officials to Meet

The Association of Superintendents of Insurance of Canada will hold its meeting prior to the National convention. Canadian commissioners have considerable work to do and will start their sessions, Sept. 14. On noon of that day they will have lunch at the Royal Canadian Yacht Club. They will continue their sessions, closing on the 16th, if possible.

Joint Meeting to Be Held

At the first morning session, Sept. 17, it will be a joint affair between the two organizations. The business, however, of each association will be conducted separately. Insurance Commissioner Dunham of Connecticut, president of the National convention, will preside. The welcomes will be given by G. Howard Ferguson, prime minister of Ontario; W. H. Price, attorney general and minister in charge of the Ontario insurance department, and Samuel McBride, mayor of Toronto. A response on behalf of the Canadian association will be made by M. G. Garrett, superintendent of British Columbia. There will be a response from the United States organization. Presidential addresses will be given by Mr. Dunham and A. E. Fisher of Saskatchewan, head of the Canadian organization.

Entertainment Features

On that afternoon there will be a sight-seeing motor tour around Toronto for those who desire to see the city and also a golf tournament will be held. In the evening there will be a moonlight excursion on Lake Ontario. On the next day the business sessions will be continued with a reception at 4:30 p. m. given by the lieutenant-governor in the government house, where tea will be served. In the evening the banquet will be held. The people who will speak are T. G. McConkey, vice-president and general manager of the Canada Life; G. Howard Ferguson, prime minister of Ontario, who will be introduced by

Leighton McCarthy, president of the Canada Life, and Commissioner Dunham, who will be introduced by Arthur B. Wood, vice-president of the Sun Life.

Will Go to Niagara Falls

On the next day, in addition to the business session there will be a motor trip in the afternoon to Niagara Falls, where among other features the Chippewa development of hydro-electric power commission of Ontario will be visited. There will be a dinner at Niagara Falls that evening, the entire party being the guests of the prime minister and the government of Ontario. In addition to the various entertainment features for all, some special entertainment will be given for the ladies, the main item being a luncheon at the Royal Canadian Yacht Club at Centre Island.

At Wednesday's meeting it was voted to have Commissioner Wysong of Indiana, second vice-president, respond to the welcome on behalf of the United States delegation. On Sept. 19 there will be a round table discussion of the disability clause in life policies. At Thursday's meeting Albert Conway of New York and Ray eYnter of Iowa will read papers on investments of insurance companies. C. D. Livingston of Michigan and M. H. Taggart of Pennsylvania will discuss the agency situation. There will be an executive session the last day.

Notes on Commissioners

S. M. Saufley, former insurance commissioner of Kentucky and now assistant to the president of the Inter-Southern Life, was present at the meeting.

* * *

The two brothers, Hill Lemar, vice-president and general counsel of the America Fore companies, and Ashby, secretary of the new Southern Fire of New York, were at the hotel. William Quaid, vice-president of the Southern Fire, was also present.

* * *

John R. Dumont, former insurance commissioner of Nebraska and now manager of the Interstate Underwriters Board of New York, attended his first convention as "has been."

* * *

George E. Turner, general counsel of the Casualty Information Clearing House, gave a dinner Monday night at the new Medina Temple in honor of Leo H. Lowe, director of trade and commerce of Illinois. A number of commissioners and insurance men were present.

* * *

Owing to the fact that the Health & Accident Underwriters Conference was to hold its meeting Wednesday, a number of members appeared on the scene Monday, headed by J. W. Scherr, president of the Inter-Ocean Casualty of Cincinnati and chairman of the executive committee of the conference.

* * *

Leo H. Lowe, the new director of trade and commerce of Illinois, was accompanied by C. J. Doyle, associate general counsel of the National Board, who has acted as special advisor for Mr. Lowe in some of the insurance work. Insurance Superintendent George Huskinson and Actuary T. Loyal Anderson of the Illinois department were also present.

* * *

Cecil F. Shallcross, United States manager of the North British & Mercantile, was at the Edgewater Beach solely by accident. He had endeavored to find a room at the Stevens, Blackstone and Congress but the radio convention had crowded everyone else out. Hence he went to the Edgewater Beach and ran into the insurance gathering.

* * *

E. M. Ackerman, secretary of the Illinois Insurance Federation, was one of the active lobby handshakers.

* * *

Rufus M. Potts, former Illinois insurance superintendent, who has lived at the Edgewater Beach hotel for 10 years, and is the third oldest resident guest of the hostelry, found himself among strange people. Col. Joseph Button of Virginia is the only insurance commissioner attending the convention that was in office when Judge Potts was head of the Illinois department.

(CONTINUED ON PAGE 47)

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THE NATIONAL UNDERWRITER

Fire Companies Stocks Not Now Undervalued

NEW YORK, June 5.—The Standard Trade & Securities Service has gotten out a special supplement on fire insurance stocks. It states that by surface appearances fire insurance shares are on the bargain counter. The service says, however, that the surface evidence does not picture the situation in full. Insurance company "earnings" as generally reported and interpreted do not in any strict sense represent actual earnings. On the basis of the definitely ascertainable actual net income per share the report states that these issues are clearly not outstandingly undervalued.

The report gives the following definite decisions relative to the speculative appeal of fire stocks:

1. Considered as insurance stocks, these shares are generously valued at present both because of their poor earnings from underwriting in recent years and in view of the limited possibilities of greatly enhanced near term results.

2. Considered as investment trust shares, which in a sense they most certainly are, these issues have also been quite thoroughly exploited, for the time being at least.

3. Measured against a background of equities and earnings per share, there is nothing to suggest the basis at this time for any strong upswing from current levels.

LOOKS FOR SHARP RISES

4. For long term holding, a considerable degree of merit attaches to a number of the leading, older, established fire company stocks. We doubt, however, that any such spectacular advances will be witnessed as in the bank shares, believing that the composite forward movement will more nearly match, over a period of years, that of the better industrial shares.

5. Under prevailing market conditions, the movement of the insurance shares will be, we believe, governed strictly by the action of stock prices generally. Like the bank stocks, the insur-

ance shares are traded in mainly over-the-counter, and suffer under the disadvantages of a narrow market. For this reason, we advise strongly against any attempts at short swing speculative operations in the group.

No Great Speculative Interest

The report says that upon the showing of fire insurance companies, they have failed to furnish the basis for any great speculative interest in their shares. Whether they can do so over a period of several future years is decidedly dubious. In the past six or seven years the investment policy of a fire company has assumed paramount importance, since investment income in the absence of insurance earnings determines the dividend that can be paid. The report says that in the strict sense investment income and underwriting profits constitute the only source of real earnings.

The report further states that during any bull market there will of course be larger realized and unrealized profits through the appreciation of the stocks held, but in no sense can the inclusion of such profit in the regular annual income accounts be justified except with explanations and provisos.

The survey continues: "Having to an increased degree placed their reserves

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in common stocks rather than in bonds, the fire insurance companies have in recent years witnessed a great mark-up of the values of the securities they have held. Their annual reports regularly show at the end of each year, not the cost value of their security holdings, but the market value. In other words, their investment holdings have been marked up in line with the appreciation witnessed in the bull market.

"Certain of these stock holdings have been sold and, in many cases, large profits have been realized over cost prices. These profits do not, of course, represent actual earnings. They are non-recurrent items made possible by a bull market. In strict accounting practice, such profits become an addition to surplus, but form no part of earnings. An industrial concern, for example, which sold an old plant at a profit over its original cost due to appreciation in land values, would not treat the realty profit as income, but as a non-recurrent item, and an addition to surplus. This, in our opinion, should be the practice also of the insurance companies."

Five-Year Period Survey

The survey points out that an intensive study of the reports of the 30 larger companies for the five-year period, 1923-1928, reveals the fact that whereas the net gain to stockholders was \$464,532,000, this was made in the face of an aggregate loss of \$9,721,000 from underwriting. The largest item of gain was investment income, with appreciation in book values of securities following closely. Detailed figures follow:

	1923 to 1928
Net investment income.....	\$192,341,000
Profit on investment sales....	60,436,000
Appreciation in book values.	187,109,000
Total gain from investments	439,886,000
Loss from underwriting....	9,721,000
Increase in equity in un- earned premiums	34,367,000
Total gain to stockholders..	464,532,000

Further analysis of the figures in the table shows that, including 40 percent of the increase in the unearned premium reserve, these 30 companies earned only \$24,464,000 from their insurance business in the five-year period. Assuming that the entire \$464,532,000 of the so-called gain to stockholders in this period constituted earnings, only 7.5 percent of this amount came through the insurance business—"not an amount to stir up speculative interest on its own account," says the survey.

Income on investments amounted to 41.4 percent of the five-year gain, a thoroughly legitimate income item, representing the dividend and interest return on the surplus and reserves invested. On the other hand, sale of securities at a profit netted 13.0 percent of the \$464,532,000 gain, while unrealized "paper" profits represented fully 40.3 percent. In other words, 53.3 percent of the so-called earnings of these companies was due solely to the advance in security prices. Even granting that the insurance companies are among the most astute of investors, by far the largest portion of this gain resulted not so much from clever stock market operations, as from the mere fact of a consistent five-year bull market.

In its summary, the Standard Trade & Securities Service says that insurance stocks are not in general underpriced at this time. Exhaustive analysis furnishes no basis for considering that as a group they afford any real speculative possibilities for the near term. Nevertheless a number of 30 leading companies have a considerable degree of investment merit for long term holding and likewise appear reasonably priced at present levels. An outstanding long term investment issue is stock of the North America. The Standard states that other especially long issues with definite long merit include Continental, Fidelity-Phenix, Hartford Fire, Home of New York, Great American, National of Hartford, National Union, Rossia, St. Paul F. & M. and the Springfield F. & M.

Potters Restate

Stand in Letter

(CONTINUED FROM PAGE 6)

out to you that during the time that we were members of the board that we paid our proportionate share of the cost of the operations of the said board, including our proportionate share of the cost of making, publishing and disseminating rates. Therefore, all rate books or other property distributed to us or to our agents by the Pacific Board are our property and are not subject to the demand (or disposition) of the said board. We are not, insofar as we are advised, indebted in any way to the Pacific Board, but if we are inadvertently in error in making this statement, we will promptly discharge such indebtedness upon its being called to our attention.

"We now request, advise and instruct you to not in any way interfere with or attempt to interfere with our property, whether it be in our personal hands or in the hands of our agents to whom it has been entrusted.

"We will in a very short time make demand of you for copies of all rate books and rate information which was in existence prior to the time of termination of our membership in the board and in which we have an interest. We will expect such property to be delivered to us.

"This letter is written to you in the kindest of spirit, but in unequivocal terms in order that there may be no misunderstanding.

"Permit us also to say to you, as we have said to insurance agents and to the insurance world generally, that we believe firmly in stabilizing and equitable rates for the indemnity of the companies of which we are officers and which we have the honor to represent. We also feel it proper to repeat that if through avowed rate cutting, or rate cutting under the name of relief granted by the Pacific Board to its members or any other improper competition, we are forced to protect our interests, we will unfailingly do so, although with regret over the circumstances which forced such action.

Should Be Independent

"Also we think that it is of enough pertinence and importance to call to your attention the modern and generally accepted opinion (and practice) that rates should be made by a rating organization having no interest other than to furnish rating information at reasonable and proportionate cost to all subscribers, to the end that the public, the insurance companies and insurance agents interested in the matter may have the benefit of the best thought and information available on the subject of rates. Also to the end that the public shall not pay too much or too little for the indemnity it purchases; that the insurance companies may not receive too much or too little for the indemnity they sell; and that insurance agents may not, through improper manipulation and operation of rating machinery by others having selfish interests, find their own legitimate interest jeopardized or perhaps ruined.

Responsible for Rate Cutting

"We hope that this thought, which is not original, will appeal to your organization as being sane and wise, as it has to other similar organizations in other parts of the nation, to the end that it may aid in preventing illegitimate concessions in rates to some and excessive charges in rates to others, and to the further end that all interested parties may be guided through proper knowledge of the rate to be charged and paid and be not dependent upon improper information, however, honestly believed in, by those who use it.

"It must be plain to all who think that if rating information be denied by those who have it to those who have no other means of getting it (although willing to bear their proportion of the legitimate rating expense), then responsibility for so-called rate cutting rests solely and for all time upon the interests denying the information rather than upon those unable to procure it."

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Dividend payments are at the highest scale in the Company's history. There has been a general reduction in annual cost to policyholders during the past seven years, while in the same period the Company has doubled its outstanding insurance and financial resources.

**Surplus over all Liabilities, \$38,667,784
Reserves, \$447,834,175; Other Liabilities, \$9,669,748
Total Assets, \$496,171,707**



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Need for Effective Cooperation

IF THE recent decision of the New Jersey committee of the EASTERN UNDERWRITERS ASSOCIATION to confer with representative agents of the state regarding the highly perplexing problems there, before recommending a course of action to the governing organization, serve as an example to the fraternity generally in the future treatment of matters in which companies and their local representatives are mutually interested, a brighter era will have been ushered in for the fire insurance business. It is no exaggeration to state that the troubles that have so sorely beset both managers and agents in New Jersey during the past 18 months and which still persist would have been avoided had the local men been taken into frank confidence by the executives when the program of the E. U. A. was being formed.

The treatment accorded the agents at the time, according to assertions boldly made at the largely attended meeting of the NEW JERSEY ASSOCIATION OF UNDERWRITERS two years ago, was such as to arouse their bitter resentment, and was directly responsible for the passage of the uniform commission law in New Jersey. That the enactment of the statute was a mistake is now freely conceded by many of the local men, who clearly recognize that the high commission rates paid by some companies have had the effect of bringing into the business a horde of new agents, increasing thereby the already severe competition that existed. It may yet be followed by an amendment to the present law fixing the rate of commission that shall be allowed. Should this be done the figure in all likelihood will be materially less than the scale now paid.

Granted that there are many unworthy agents in the business whose chief concern is in squeezing from their companies the highest possible rate of commission, it yet remains that the great majority of the local representatives the country over are conscientious in their work and thoroughly reasonable in their attitude toward their companies.

The local agent is the backbone of the fire insurance business and should be so recognized. He supplies the contact between the companies and the assured. He sells the policies the companies prepare,

explaining to prospective clients their full meaning and induces sales. From long and intimate experience the well posted agent knows the needs of property-owners, and is in position to give valuable advice to home office executives. Advantage should be taken of this fact and a free expression of views encouraged from the field. It may be that for proper reasons the suggestions advanced cannot be adopted in their entirety by the companies. On the other hand, it is highly probable that the germ of the idea can be whipped into practical shape to the benefit of both companies and assured. Some of the progressive companies stimulate their staffs to advance new ideas constantly with the result that the employees are upon the alert to know more about the business in which they are engaged and to suggest methods for meeting changing conditions arising in the industrial and mercantile lines. The same method might very profitably be extended to the local agency force; or at least when an important change in any particular territory is contemplated the representative local men might be taken into conference and the situation gone over carefully with them. Procedure of this kind would create a solidarity of interest between the home office and the field, which is sadly lacking just now, and from the loss of which the business is suffering.

The mutuality of interest between companies and agents was tersely set forth by SIDNEY O. SMITH, of Gainesville, president of the GEORGIA ASSOCIATION OF INSURANCE AGENTS, when in the course of his admirable address before the recent annual gathering, he said: "This is a critical testing time for all of us, and he who in such a time would advocate the dissolution of honorable practices and agreements between company organizations and agency organizations is inviting anarchy and chaos."

The local agent has far greater influence in legislative matters than has the company executive. Many an obnoxious measure that would otherwise have been placed upon the statute books has been defeated through the vigorous opposition of local representatives.

Cooperation is the order of the day in big business, the old time practice of cut-

throat competition having been thrown into the discard. What has proven beneficial in the realm of general affairs might very profitably be followed in the fire insurance business. We repeat that if the action of the New Jersey committee of the E. U. A. in calling the agents into

conference before reaching decision upon the problem of joint concern be the forerunner of similar action whenever broad issues are to be reviewed fire underwriting will have entered upon a new and a brighter era for both the companies and the agents.

PERSONAL SIDE OF BUSINESS

John Hogan, son of Thomas M. Hogan, who is Illinois and Michigan executive special agent of the Dubuque Fire & Marine and the National Reserve, was killed in an automobile accident on the highway between Moline, Ill., and Davenport, Ia. Young Hogan, who was 18, was a student at St. Ambrose College in Davenport. He with some other young people attended a house party in Moline and were returning home. Their car overturned into an unguarded and unlighted excavation in the highway. Several others in the party were seriously injured. Funeral services were held in Chicago and interment was in Joliet.

E. C. H. Durham, fire manager of the London Assurance, who has been in the United States for several weeks, going as far as the Pacific Coast, sailed for London June 5. Mr. Durham has visited this country from time to time in recent years, and is well informed as to underwriting conditions here as well as those in other countries of the world.

Lee A. Phillips, executive vice-president of the Pacific Mutual Life and president of the Pacific Indemnity and Pacific American Fire, left Los Angeles last week for New York, from which port he will sail for Europe, joining his family on the continent. After a brief visit to England he will return home, being expected in Los Angeles about July 1.

William E. Floyd, former commissioner of insurance of Arkansas and postmaster at Little Rock during President Wilson's administration, who was appointed commissioner to fill the vacancy caused by the death of J. S. Maloney, has held public office the greater part of the time the last 20 years. He began his career as a public official in 1906 when he was appointed secretary of the state railroad commission. He served two terms as postmaster. In 1925 he became commissioner of the departments of insurance and revenues, which were merged. He served two years, after which the departments were separated. He has served as director and agent of several insurance companies and is said to have had the endorsement of many leading insurance men. He has taken up his duties and states that no changes will be made in the department. Other candidates for the place were A. D. Dulaney, deputy commissioner under Mr. Maloney, and Victor Gates, well known insurance man of Lonoke, Ark.

D. M. Pollard, formerly Texas state agent of the Netherlands and now secretary of the Fire Insurance Company of Chicago and assistant manager of the Netherlands, is undergoing quite a siege at the hospital at Temple, Tex. Mr. Pollard evidently is afflicted with gastric ulcers. He is taking treatment and an operation of some kind may seem desirable.

Thomas Rockefeller Weddell of Chicago, editor of the "Insurance Post," and associate editor of the "Insurance Field," on June 1 rounded out 30 years of service in insurance newspaper work. He has gotten out a special edition of the "Insurance Post," an historical number, in honor of this occasion. Mr. Weddell has spent his entire life in newspaper work. Prior to becoming insurance editor of the Chicago "Inter-



THOMAS R. WEDDELL

Ocean" 30 years ago he had served that paper and others in a reportorial and editorial capacity. Today he is one of the veteran insurance news writers of the country, one of the ablest reporters in the business and one who has made many friends in his field of activity. He has been most useful to the cause he has served with distinction and honor.

John G. McQuarrie, Utah insurance commissioner, submitted to a major operation at Richfield, in southern Utah, a few days ago, the surgeons in the case being two of his sons, Dr. J. C. McQuarrie of Richfield and Dr. E. S. McQuarrie of Salt Lake City. He is now making excellent progress toward complete recovery.

W. Ross McCain, vice-president of the Aetna, is sailing June 19 for a six weeks trip in Europe. He will be accompanied by Mrs. McCain.

United States Manager F. W. Koeckert's success in reorganizing the United States business of the Commercial Union was lauded at the recent stockholders' meeting in London. Of Mr. Koeckert and his work the chairman of the board, Walter D. Gibbs, said:

"I will first deal with the fire department. The premium income amounted to £7,598,537, a reduction of £520,000 as compared with the previous year. This reduction was to a great extent due to the revision of our business in the United States, which was referred to at our last annual meeting. Our returns during the current year from the United States show a larger premium income than that for the corresponding period of 1928, which indicates that the full effect of the revision on our premium income has now been experienced, while the improvement in the loss ratio fully justifies the action we have taken."

"The work was intrusted to our New York manager, Mr. Koeckert, who is with us today, and in welcoming him to this meeting I wish to add our congratulations on the thorough and successful manner in which he has undertaken the task we placed upon him—a task which would have been particularly uncongenial to a less experienced underwriter. We hope he will enjoy his visit to this country and return home with pleasant recollection of his well-earned holiday."



"AMERICA FORE"



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The summer exodus to vacation lands is on. Your clients will be rushing away on weekend trips and enjoying longer journeys of rest and recreation. Their baggage and personal effects will be exposed constantly to serious damage or loss from fire, theft and many other hazards.

They will need an All Risks Personal Effects Insurance policy like that issued by the First American. The seasonal opportunity for you to concentrate on an all-year-round coverage is here. Are you making the most of it?

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PAUL L. HAID, PRESIDENT.

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FIRE INSURANCE NEWS BY STATES

OHIO AND WEST VIRGINIA

EXPECT TROUBLE TO CEASE

Official Optimistic Over West Virginia Question—Only Few Agents Have Not Signed Agreement

The New York "Journal of Commerce" in commenting on the situation in West Virginia has this to say:

"Now that the state auditor of West Virginia has been enjoined by the federal court from interfering with the contracts fire insurance companies offer their agents and has stated that he will not appeal from the order of the court, company officials in New York express the opinion that trouble in that state will soon cease. The number of agents who have not yet signed either the 20 percent flat commission agreement or the 15 and 25 percent graded is small. A few have held out for 20 flat from their affiliated companies with the privilege of representing non-affiliated companies paying any scale they see fit, but it is believed these will soon sign one of the agreements or represent non-affiliated companies exclusively."

"There appears no desire among companies here to use drastic methods to force a decision by the few agents still standing out. The long fight has created so much bad blood in the state that companies generally prefer to be patient rather than stir up any more animosity. Most of the agents, it is said, have elected to accept 20 percent commissions rather than graded and that implies representing affiliated companies exclusively, with the exception of West Virginia companies. As the Wheeling Fire has not been a troublesome factor its presence in otherwise clear agencies is not a serious matter."

Younger, Richman Will Speak

Judge C. S. Younger, Ohio superintendent of insurance, and Ralph E. Richman of THE NATIONAL UNDERWRITER, will be among the speakers at the annual convention of the Ohio Association of Insurance Agents, which will be held at Youngstown, June 19-20. The program is being arranged by Judge W. H. Tomlinson of Columbus, secretary and counsel for the association, Ralph Smith of Youngstown is chairman of the local general committee and Ben L. Agler, chairman of the finance committee. A banquet will be held the evening of the first day. Judge Tomlinson reports that the attendance will in all probability be the largest in the history of the association and that the program will be most interesting and important.

Merged Agency Opens New Offices

The newly formed Bonnett-Sparks Agencies, Inc., Columbus, O., has opened offices in the Ohio State Savings building. The concern has taken over the agency of A. C. Bonnett & Co. and will write all forms of insurance and surety bonds. Mr. Bonnett has been in the insurance business 15 years. Mr. Sparks has been connected with insurance agencies and other business enterprises in Akron, Cincinnati and other cities.

Federation Speakers Named

Speakers at the annual meeting of the Insurance Federation of Ohio in Columbus June 17 will include Edward C. Stone of Boston, United States manager Employers Liability, and C. S. Younger, superintendent of insurance. James R. Milliken of Cincinnati is president of the Ohio Federation; Trafford Tallmadge of

Columbus, secretary-treasurer, and Mrs. M. D. Fletcher, executive secretary.

Ohio Agency Changes

Recent changes in Ohio fire insurance agencies include:

Brookville—Merle W. Miller has sold his agency to C. E. Hubler.

Dennison—Mrs. H. E. Mahan, widow of D. C. Mahan, has sold the agency to W. W. Ritter.

New Metamoras—Louis Heddleston has sold his interest in the Harvey & Haddleton agency to Grover C. Haddleton.

Senecaville—Mrs. Ruth Beymer will

continue the business of H. M. Beymer, her husband, who died recently.

Wellington—Dewey D. Griggs has taken over the agency of Griggs & Robert.

Mt. Sterling—George M. Fisher has sold his agency to Ray & Carpenter.

Ohio Storm Losses Reported

Storms caused a rather heavy loss in a number of eastern and southern Ohio towns a few days ago. The heaviest loss at any one place was at Niles, where lightning struck the plant of the Kalmar Steel Company, resulting in a loss placed at \$15,000.

Fire caused a loss of \$50,000 to the Dayton Country Club at Dayton, O., this week.

CENTRAL WESTERN STATES

SET UPPER PENINSULA DATE

Northern Michigan Agents Will Hold Annual Meeting June 22 at Sault Ste. Marie

LANSING, MICH., June 5.—Northern Michigan agents will hold their annual "Upper Peninsula Insurance Day" June 22 at Sault Ste. Marie, it was announced late last week by John P. Old, who is heading the committee on arrangements. This is the largest regional meeting of the Michigan Association of Insurance Agents and invariably draws an attendance of well over 100.

The Sault Ste. Marie local board will be host organization and an excellent entertainment program is anticipated. The selection of the June date was made to avoid conflict with the National association convention in Detroit in September. Ordinarily the Upper Peninsula meeting is staged in the late summer or early fall, as the mid-summer months are always busy ones for the northern agents, due to the influx of tourist traffic at that time of year.

Mr. Old has been chairman of the membership committee which has been conducting a membership campaign for the state association with notable success and it is expected that the Insurance Day will be utilized to aid the membership drive in that part of the state.

While the speaker list is not complete, virtual assurance has been given that Commissioner Charles D. Livingston and Clyde B. Smith of Lansing, chairman of the executive committee of the National association, will be among those to give addresses.

The probability that Commissioner Livingston will explain the recently revised insurance code, which has many important implications for the average agent, is expected to be a drawing card.

Wysong Issues New Laws

Insurance Commissioner Wysong of Indiana has had printed in pamphlet form "Amendments to Insurance Laws of Indiana for 1929." This contains all enactments relating to insurance passed by the 1929 legislature, which closed its session in March. A number of important measures were passed, including the agency qualification law and amendments to the general statutes affecting the range of investments permissible to companies organized under the laws of the state.

Academy Fire Causes Heavy Loss

MONROE, MICH., June 5.—One of the largest fire losses ever recorded in this vicinity was sustained here Monday when the main building of St. Mary's Academy, a Catholic institution for girls, was destroyed with loss to building and

contents estimated at \$1,000,000. It was believed, however, that this figure would be scaled down somewhat upon recapitulation.

The building was of five stories and of brick construction. The top floor was used as a dormitory and the other floors for class rooms and a music conservatory. The academy is the parent school of 54 similar institutions extending throughout the country.

Shingle Interests Men at Lansing

LANSING, MICH., June 5.—Influential lumber interests were allowed to prevail over the wishes of the fire prevention forces of the city and other factors not swayed by financial bias when the city

STATES OF THE NORTHWEST

RATING BUREAU IS AFFECTED

Wisconsin Assembly Refuses to Postpone Bill, Removing Clause Making Affiliation Compulsory

MADISON, WIS., June 5.—One of the major bills affecting fire insurance in Wisconsin, the Mauthe bill, removing that part of the insurance law which makes it mandatory for a stock fire insurance company operating in Wisconsin to belong to a rate fixing bureau, was advanced to engrossment in the Wisconsin assembly last week after sharp debate and after the house had refused by a vote of 37 to 18 to indefinitely postpone the measure.

The Mauthe bill would still allow companies to belong to such a rate fixing bureau, but it would remove the clause that makes such affiliation compulsory. This would allow companies to set rates as low as they desire.

Carlton W. Mauthe, assemblyman of Fond du Lac, author of the bill, explained that when the law was passed in 1927 it was supposed that there would be several such rate fixing bureaus established, but that instead only one such bureau, now known as the Wisconsin Inspection Bureau of Milwaukee, had been created. The present law, he said, legalizes price fixing by insurance companies on fire insurance policy premiums.

Will Protect Annexed Territory

MILWAUKEE, June 5—Milwaukee's fire department will give fire protection to all territories in process of annexation to the city if the council concurs in an order made by the public utilities committee. Under the present law annexation is not complete until 90 days after adoption of the annexation proceedings by the council. The resolution will have the effect of giving such territories fire protection three months before they finally are a part of the city.

council last week voted, over the veto of Mayor Troyer, to repeal that section of the city building code which prohibits the use of wood shingles in new construction of roofs or major repair jobs.

Under the amended section of the ordinance red cedar shingles of certain specifications may be used as a roofing material outside the fire limits.

Paris Has Good Record

PARIS, ILL., June 5.—The year ending April 30, 1929, shows the smallest fire loss Paris has ever had for a 12-month period. The loss is 29.6 percent. Total losses for the year were \$2,960.

Indiana Notes

Members of the Shelbyville Better Business Club, Shelbyville, Ind., will organize a fire prevention council. The action was taken following an address by Benjamin R. Inman, who is connected with the state fire marshal's office.

Obie J. Smith, for many years prominent in Indianapolis insurance and real estate circles, has been appointed a member of the Indianapolis board of health. Mr. Smith for many years has been active in city and state insurance association work and his appointment has met with high approval.

Illinois Notes

Fire which destroyed the Federated Factories Sales Company, Peoria, Ill., caused loss estimated at from \$60,000 to \$75,000 by D. M. Citron, owner of the business. J. T. Johnson was owner of the buildings.

Adjusters are completing an inventory at the Hayes-Custer stove and furnace factory, Bloomington, Ill., which was swept by a \$200,000 fire last week. Two-thirds of the main plant, huge stores of crated stoves ready for shipment and an assembly room with 1,000 stoves in process of assembly, are in ruins.

STATES OF THE NORTHWEST

SHEBOYGAN HAS HEAVY LOSS

Fire Sweeps Industrial Section, Causing Property Damage Estimated at Close to \$1,000,000

SHEBOYGAN, WIS., June 5.—Fire departments from nine cities battled flames which swept the industrial section of Sheboygan Friday, wiping out two factory buildings, the office and three sheds of the Garton Toy Company, a dwelling and six box cars laden with brewery equipment, as well as a number of roof fires in the factory area and in homes where sparks landed on the roofs. The total property loss is estimated at close to \$1,000,000.

The fire started with an explosion in the warehouse and stables of the toy company, formerly occupied by the American Hide & Leather Company, and spread rapidly to the factory proper, adjacent to the warehouse. When a 200-gallon tank of gasoline in the Garton factory building exploded, the fire spread to every floor and compartment of the three-story building, and in two hours three small sheds and an office building at the rear of the factory proper, with the main building and warehouse, were burned to the ground. Four hundred and fifty employees in the factory escaped.

Efforts of the firemen were largely confined to saving the score of buildings adjoining the Garton premises in the heart of the industrial section on the river. Despite these efforts the fire spread and caused considerable damage to the Sheboygan Dairy Products Company and the Gutsch brewing plant.

For the first time in ten years Milwaukee firemen were called outside the county to assist the department of another city. An emergency call from Sheboygan sent two engines and 15 men on the 50-mile trip to Sheboygan. The

LOYAL TO PRINCIPLE—TO LOYAL AGENTS, LOYAL

NEAL BASSETT, President

A. H. HASSINGER, Vice President

JOHN KAY, Vice President

WELLS T. BASSETT, Vice President

JANUARY 1ST, 1929, STATEMENTS

ORGANIZED 1855

FIREMEN'S INSURANCE COMPANY OF NEWARK, NEW JERSEY

ASSETS	LIABILITIES	CAPITAL	NET SURPLUS	SURPLUS POLICYHOLDERS
\$56,065,676	\$19,562,550	\$13,500,000	\$23,003,126	\$36,503,126

ORGANIZED 1853

THE GIRARD F. & M. INSURANCE COMPANY OF PHILADELPHIA, PA.

\$6,036,606	\$2,834,468	\$1,000,000.00	\$2,202,138	\$3,202,138
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ORGANIZED 1854

MECHANICS INSURANCE CO. OF PHILADELPHIA, PA.

\$4,881,357	\$2,770,413	\$600,000.00	\$1,510,944	\$2,110,944
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ORGANIZED 1866

NATIONAL-BEN FRANKLIN FIRE INS. CO. OF PITTSBURGH, PA.

\$5,021,040	\$2,502,744	\$1,000,000.00	\$1,518,297	\$2,518,297
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ORGANIZED 1871

SUPERIOR FIRE INSURANCE CO. OF PITTSBURGH, PA.

\$4,837,240	\$2,492,229	\$1,000,000.00	\$1,345,011	\$2,345,011
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ORGANIZED 1870

CONCORDIA FIRE INSURANCE CO. OF MILWAUKEE, WIS.

\$5,359,805	\$2,486,092	\$1,000,000.00	\$1,873,712	\$2,873,712
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ORGANIZED 1886

CAPITAL FIRE INSURANCE CO. OF CONCORD, N. H.

\$666,599	\$196	\$300,000.00	\$366,403	\$666,403
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TOTAL OF ASSETS**\$82,868,323.00****TOTAL OF LIABILITIES****\$32,648,692.00****TOTAL NET PREMIUMS****\$23,808,303.00****WESTERN DEPARTMENT**844 Rush Street
Chicago, Illinois

H. A. CLARK, Manager

Assistant Managers
H. R. M. SMITH

JAMES SMITH FRED. W. SULLIVAN

EASTERN DEPARTMENT

10 Park Place

NEWARK, NEW JERSEY

CANADIAN DEPARTMENT

461-467 Bay Street

TORONTO, CANADA

MASSIE & RENWICK, Limited,

Managers

PACIFIC DEPARTMENT

60 Sansome Street

San Francisco, California

W. W. & E. G. POTTER,
Managers

JOHN R. COONEY, Assistant Manager

LOYAL TO PRINCIPLE—TO LOYAL AGENTS, LOYAL



other cities which sent apparatus and firemen were Port Washington, Sheboygan Falls, Kohler, Elkhart Lake, Manitowoc, Plymouth and Centerville.

The Western Adjustment office at Milwaukee had two men on the scene Saturday morning to care for the urgent losses which came up, particularly on dwellings.

PLAN WISCONSIN FIELD MEET

Committees from Union and Bureau Clubs Hold Joint Meeting to Make Arrangements

MILWAUKEE, June 5.—Plans for the annual meeting and outing of the Wisconsin field men at Egg Harbor, June 26-27, were taken up at a joint meeting of committees from the Wisconsin Insurance Club and the Wisconsin Fire Underwriters Association here Monday.

J. E. Snyder, Homeland, and G. A. Strasen, American of Newark, are members of the Bureau club committee, while C. R. James, Aetna, and William I. Gillen, Continental, represent the Union field men in the committee on arrangements. George Hannan, manager of the Wisconsin Audit Bureau, is also a member of this committee, and Mr. Gillen is general chairman.

The committee has planned a golf tournament this year, and the ardent golfers among the field men will have an opportunity to play on both Wednesday and Thursday. A "barnyard golf" tournament is another feature arranged for fans during the meeting.

While the field men are in their respective conferences the first day, a tour of the historical and beautiful spots of Door county has been arranged for the ladies. It will include the cherry orchards, the new state park, Washington Island and the early Wisconsin settlements, under the direction of an experienced guide. There will be a dinner dance the first evening.

The afternoon of the second day will be devoted to a field meet, the high spot being the annual ball game between the Bureau and Union men. Bertram F. Lutz, London & Lancashire, will be captain of the Union team, and Charles Hall of the Fish & Schukampf

IN THE MISSOURI VALLEY

FIRE PREVENTIONISTS ELECT

J. H. Bunten Heads Iowa Association—Joint Session Held With Blue Goose, Which Also Elects

DES MOINES, June 5.—The annual meeting of the Iowa State Fire Prevention Association was the most largely attended and enthusiastic in the history of the organization. The past year was especially successful.

Officers elected for the coming year are: J. H. Bunten, Fire Association, president; Homer Templeton, U. S. Fire, vice-president; C. W. Borrett, Hanover, secretary, and A. C. Hall, Great Lakes, assistant secretary. In reviewing the work of the past year, the officials were commended for the work accomplished and a pledge by the membership was given to render even better service the coming year.

Richard E. Verner and Harry K. Rogers of the Western Actuarial Bureau, Chicago, made splendid addresses. Other speakers were John W. Strohm, state fire marshal, and Alson Secor and E. N. Hopkins of "Successful Farming." Messrs. Secor and Hopkins gave much information relative to the farm journals' work in behalf of fire protection. Action of the recent session of the legislature in passing an act that gives towns and cities authority to join hands with farmers in providing for fire fight-

agency, Madison, will again captain the Bureau men.

Wisconsin Meeting Changed

MILWAUKEE, WIS., June 5.—R. T. Gravenstine, state agent for the Hanover and most loyal gander of the Wisconsin Blue Goose, has announced that the annual meeting of the Wisconsin home nest will be held in Milwaukee June 17, rather than during the annual meeting of the field men at Egg Harbor, Wis., June 26-27, as had been originally planned.

Mr. Gravenstine said that the change had been made because it was felt that the meeting held in connection with the Wisconsin field men's meet overloaded a program already filled with conferences and entertainment.

Minneapolis Club Ends Season

MINNEAPOLIS, June 5.—The Insurance Club of Minneapolis held its last meeting until fall on June 4, the members being guests of the O. B. McClintock Company at a luncheon at its new plant.

The McClintock Company builds bank protective devices of special interest to insurance men and the members of the club were interested in inspecting its products.

Wisconsin Notes

Mrs. Louisa Sukow, mother of Walter W. Sukow, Wisconsin state manager of the Travelers Fire, died at her home in Forest Park after an extended illness.

William Nolan, general agent of the Pacific Fire group, was in Milwaukee last Friday to confer with State Agent Kurt Marquardt and other representatives of the company.

L. W. Schlieder has been elected secretary of the Sheboygan Falls Mutual Fire. Mr. Schlieder, who has been assistant secretary of the company since 1920, succeeds John Bauernfeind, deceased, who had been manager and secretary since the founding of the organization in 1899.

Minnesota Notes

Thomas G. Linnell of the general agency firm of Enck & Linnell, Minnesota, left this week for California as a member of the Shrine contingent.

Inspectors of the St. Paul Fire & Marine are engaged in making a survey of Twin City industrial plants. The work will continue over a period of several months.

A tornado did \$30,000 damage to farm property east of Albert Lea, Minn. The twister covered a strip of land about a quarter mile wide and seven or eight miles in length. All the damage was done to farm property. Most of the loss is borne by the mutuals.



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Double Rooms \$3.50 up

L. C. Prior, Pres. and Man. Director

HOTELS LENOX and BRUNSWICK BOSTON

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of office be subject to the pleasure of the governor. His salary is increased from \$3,000 to \$6,000, and all fees formerly collected by the superintendent must go to the state treasury. The tenure of the appointee is made subject to the governor's pleasure, to relieve such situations as that which occurred in the latter part of the Baker administration when Ben C. Hyde, former superintendent, was ill and unable to perform his duties, but could not be removed under the law.

FIELD MEN TO HONOR PHELPS

Give Banquet Friday Night for Veteran Iowa State Agent of North America—With Company 25 Years

DES MOINES, June 5.—Following a custom established some 25 years ago, Iowa field men will on June 7 give a banquet in honor of Edward S. Phelps of Burlington, who is just completing 25 years of continuous service with the North America. Previous to this time nine men have been honored because of 25 years in the employ of the same company. Such recognition is unique and exclusive, as field men in no other state make such an occasion an event of such unusual distinction.

Mr. Phelps has had a notable record in insurance activities. After nine years in the internal revenue service, he entered insurance work at Burlington in 1883. In 1885 he became adjuster for the German of Freeport and in 1898 he was appointed state agent for the New York Underwriters. This position he resigned in 1903 to become state agent of the Phoenix of Hartford, where he remained only one year, succeeding the late Ben I. West as state agent and adjuster of the North America. He has served that company continuously ever since.

Mr. Phelps received training in insurance matters when a mere boy, his father having been one of the first insurance agents to open an office in Burlington. His son Charles is following in the steps of his father, having taken active charge of the office business in recent years.

E. S. Phelps has been active in civic affairs at Burlington for many years. He

is now president of the First Iowa State Trust & Savings Bank at Burlington, one of the largest financial institutions in southeastern Iowa. He is president of the Citizens Water Company and treasurer of the Burlington Hotel Company.

At the banquet Friday night, a testimonial committee will present the honored guest with a brochure recounting his activities and achievements. Among those who will speak will be representatives of the North America, from the home office; John D. Carpenter and W. M. Palmer, each of whom has been similarly honored in the past. George R. Crosley of Webster City, also honored in recent years, will be toastmaster.

Coolidge Made Chief Clerk

JAMES K. COOLIDGE of Kansas City has been appointed chief clerk of the Missouri department to succeed Henry C. Asel, who resigned several weeks ago.

America Fore Group Honor Veterans

Former agents and employees who served the Farmers of Cedar Rapids for more than 25 years were the guests of honor at a dinner there last week. Service medals were given Lew Benedict and C. W. Hook, Cedar Rapids; August Fey, Franklin; H. E. Frederick, Conrad, and L. E. Lefebvre, Fairfax, all former agents. Theodore Schauwecker, E. W. Batchelder, N. E. Smith, C. E. Claussen and Guy E. Shields were former employees of the company to receive medals. J. W. Wilbur of Chicago, vice-president of the America Fore companies, was present to explain the transactions which led to the purchase of the Farmers by the America Fore group.

Honor King on 84th Birthday

DES MOINES, June 5.—Thirty employees and field men of the Western Grain Dealers Mutual Fire and the Western States Fire, an allied organization, banqueted Jay A. King, president of both companies, on Mr. King's 84th birthday. Mr. King organized the Western Grain Dealers Mutual 22 years ago and has been at its head ever since. The Western States was organized as a stock company only a few months ago.

The Leman-Meury Insurance Company has been incorporated in St. Louis to do a general insurance agency business. Incorporators are Charles Leman, St. Louis; Harry J. Meury, University City Mo., and W. W. Shiek, Glendale, Mo.

STATES OF THE SOUTHWEST

EX-AGENT COMMITS COMPANY

Assured Had No Notice of Termination of Authority and Relied on Word

When Waiver of Conditions of Policy of Fire Insurance by an Agent Whose Authority Had Been Revoked was Effective as to an Insured Having No Notice of the Revocation.—This was an action to recover on a policy of fire insurance. The plaintiff Scott had owned a lot and dwelling house in Mount Pleasant and had taken out a policy of fire insurance covering the dwelling through one Rowland who had been regularly appointed defendant's local agent for the purpose of issuing such policy. The policy provided that it should be absolutely void if any change should take place in the interest, title or possession of the subject of insurance without the company agreeing thereto in writing. On Feb. 5, 1926, Scott conveyed the lot and dwelling house to one Riddle and he in turn conveyed to one Fuquay and the parties went to the office of Rowland for the purpose of having him make such changes in the policy as the changed state of interest in and title to the property required. Rowland told the parties that everything was all right the

way the policy stood and that the parties would be sufficiently protected. On Feb. 10, 1926, the building was totally destroyed by fire and this action was subsequently brought. The defendant set up as a defense the revocation of Rowland's authority as agent on Aug. 7, 1925, and so claimed that the attempted waiver of the condition of the policy regarding change of title or interest could not be properly waived by Rowland subsequent to the date his authority was revoked. It was agreed that neither plaintiff nor his successors in interest in the property had any notice that Rowland's authority had been revoked, and no revocation had been filed in the state insurance department.

Waiver Held Effective

Held, that the waiver by Rowland was effective since the parties had no notice of the revocation of his authority. It is a general rule that a revocation by a principal of the general authority of his agent is not effective as between the principal and such third person as deal with the agent as such on the faith of the continuing existence of his authority without notice of the revocation. Rowland as general agent had authority to waive stipulations of policies and as to Scott the waiver was effective, since he had never received notice of the revocation of Rowland's authority.—Scott et

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ATLANTA: 8th Floor, Hurt Bldg.



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President
HORACE R. WEMPLE

Secretary
H. D. BURROUGH

**FINANCIAL STATEMENT
as of January 1, 1929**

ASSETS

Bonds and Stock (Book Value).....	\$1,227,253.93
Collateral Loans	500,000.00
Cash in Banks	119,305.96
Agents' Balances	306,884.02
Accrued Interest	10,326.95
Market Value Stocks and Bonds—over Book Value	908.92
Agents' Balances over 90 Days.....	\$2,164,679.78
Total Assets	10,387.07
	\$2,154,292.71

LIABILITIES

Reserve for Losses.....	\$ 95,357.82
Unearned Premium Reserve.....	901,544.18
Other Reserves	20,000.00
Capital	\$300,000.00
Surplus	837,390.71
Surplus to Policyholders.....	1,137,390.71
Total Assets	\$2,154,292.71

Division Offices

R. H. Erickson, Inc.
172 W. Jackson Boulevard
Chicago, Illinois

Dwight Selby & Co.
114 Sansome Street
San Francisco, California

SAFE FOR AGENTS — BEST FOR ASSURED

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OLD and THOROUGHLY RELIABLE
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SAFE FOR AGENTS — BEST FOR ASSURED

al vs. Law, Union & Rock, Supreme Court of Texas.

Overholser to Speak at Enid

Ed Overholser, president-manager of the Oklahoma City chamber of commerce, will be principal speaker at the regional meeting of the Oklahoma Insurors scheduled for June 20 at Enid, according to E. R. Ledbetter, president. Mr. Overholser will speak at the joint luncheon of insurance agents and members of the Enid chamber of commerce. His subject will be "The Value of the Insurance Agent to His Community."

Ingalls, Atkinson Address Firemen

MUSKOGEE, OKLA., June 5—Chief R. E. Pitts of Tulsa was elected president at the annual convention of the Oklahoma State Firemen's Association. Following an address by C. T. Ingalls, manager of the Oklahoma Inspection Bureau, the association officially endorsed the firemen's school as advocated by the National Fire Waste Council. An interesting paper on "Inspection for Safety to Life and Fire Prevention" was given by W. S. Bizzell, engineer of the Oklahoma Inspection Bureau.

The Oklahoma Fire Chiefs' Club also held its semi-annual convention. James A. Atkinson, secretary of the Oklahoma Fire Prevention Association, addressed the meeting on the "Lack of Balance Between Fire Fighting and Fire Prevention." Mr. Atkinson also addressed the women's auxiliary on "The Fire Prevention Work the Auxiliary Can Do."

Fred L. Naugle Dies

Fred L. Naugle, assistant general agent for Cravens, Dargan & Co. of Houston, Tex., died suddenly in Fort Worth last week. Mr. Naugle entered the employ of Cravens, Dargan & Co. as special agent and was made superintendent of agents before being given the position he recently occupied.

Lloyd's Plan Becomes Law

AUSTIN, TEX., June 5—Governor Moody filed without his signature senate bill 36, regulating the insurance business on what is known as Lloyd's plan. That bill becomes effective 90 days after date of final adjournment. Governor Moody still has on his desk senate bill 37, the model law regulating the supervision and operation of mutual insurance companies. He has been strongly importuned to veto this bill.

Cooper Returns Home

E. C. Cooper, general manager of the Southwestern Adjustment Company, has returned to Dallas from a three months' business trip through Central and South America.

Texas April Losses Reported

AUSTIN, TEX., June 5—Losses resulting from 501 fires reported to the state fire insurance department in April aggregated \$1,327,037. Fires from unknown causes numbered 153 and entailed losses amounting to \$883,367. The next largest item of loss was \$247,822 resulting from seven petroleum fires. Fourteen incen-

IN THE SOUTHERN STATES

GOODMAN WAS ELECTED HEAD

Florida Blue Goose Has Annual Meeting—Fellows and McIntyre Made Delegates

The Florida delegates to the grand nest meeting of the Blue Goose in San Francisco will be W. F. C. Fellows, of Jacksonville, and Ray McIntyre, of Orlando. Mr. Fellows is the national officer for the state and Mr. McIntyre the retiring deputy. These were chosen at the annual meeting at Orlando. New officers are: Most loyal gander, Charles M. Goodman, S. Y. Way & Co., Orlando; supervisor, Robert W. Turner, Northern of New York; custodian, Ed Staiber, Pennsylvania Fire; guardian, Bennington Hull, Springfield Fire & Marine; keeper, Klyde Higginbotham, J. H. Norton & Co., Jacksonville; wielder,

diary fires were reported. The loss caused by firebugs was \$17,368. Matches and smoking caused 56 fires with losses aggregating \$90,612.

New Texas Schedules Issued

AUSTIN, TEX., June 5—Specific schedules of rates, effective June 1, were mailed last week by the Texas fire insurance department to the following towns, no changes being made in present key rates: Albany, Aspermont, Bradshaw, Knox City, Lawn, Novice, Roby, Stamford, Sylvester and Truscott.

Resent Gulf's Action

Piper, Stiles & Gill, local agents at San Antonio, Tex., took exception to the Gulf of Dallas being one of three companies to file suit against the board of insurance commissioners to have their recent commission order vacated and resigned the agency.

Will Improve Little Rock Protection

LITTLE ROCK, ARK., June 5—A report by the Arkansas Fire Prevention Bureau, containing 10 major recommendations, which would require a \$300,000 bond issue for improving the city fire department in order to lower fire insurance rates in Little Rock, was adopted by the fire committee of the city council this week.

Installation of the proposed equipment would raise the rating of Little Rock from fifth to fourth class. This will give property owners a reduction of about 7 percent in rates. Unless action is taken, the city's rating would fall even lower, probably 12 to 15 percent.

Arkansas Notes

The DeWitt Bank & Trust Company, DeWitt, Ark., announces the purchase of the W. C. Poynter Insurance Agency and the transfer of all expirations and assets to the insurance department of the bank.

A. V. Ormond, who has been engaged in the insurance and real estate business at Morrilton, Ark., for almost four years has resigned his position with the Morrilton Insurance Agency and opened the Ormond Insurance Agency.

A deal was consummated last week whereby Miss Hallie Dever purchased the interest of the late Dr. C. P. Bridewell in the Malvern Insurance Agency of Malvern, Ark. The agency, conducted by Bridewell & Dever, has been in business in Malvern for three years.

Certificate of incorporation for the Security Loan & Insurance Agency of Little Rock, Ark., has been filed with the county clerk. The firm will have offices at 114 West Second street. Incorporators are H. T. Terry, Ora Morehart and W. E. Beeson.

Oklahoma Notes

Plans for a new fire station to be located in the northeast part of Oklahoma City have been approved by the city council. Work is to be started as soon as the site is decided upon.

John F. McCullough of the McCullough-Adams Company, Oklahoma City local agents, was installed as second vice-president of the Lions Club at a recent meeting. Mr. McCullough is former president of the Oklahoma Insurors.

H. H. Fern, Southern Adjustment Bureau, Miami.

Non-Suit South Carolina Case

Attorneys in the suit of Commissioner King against the Firemen's of Newark in South Carolina have reached an agreement to non-suit the case. The case has been called by County Judge M. S. Whaley in Columbia. It is expected that the matter will be decided by the state supreme court.

McMillan Succeeds Firm

The firm of Maynard & McMillan of Knoxville, Tenn., has dissolved, Henry G. McMillan continuing the agency. Mr. McMillan joined Edward Maynard in the business some years ago. Mr. Maynard will continue to devote part of his time to insurance. Mr. McMillan is prominent in the business, having been

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formerly president of the Tennessee Association of Insurance Agents.

De Van Is Kentucky Speaker

R. P. De Van, president of the National Association of Insurance Agents, will be in Louisville for the annual meeting of the Kentucky Association of Insurance Agents, June 25-26. Announcement was made by Leo E. Thieman, secretary of the Louisville Board, who is arranging the program for the state meeting.

Decide on Kentucky Refunds Soon

LOUISVILLE, June 5.—George H. Parker, manager of the Kentucky Actuarial Bureau, in discussing the matter of refunding to the assured the return premiums agreed upon in the recent compromise on the 12½ percent fire insurance rate advance, said that it will probably be settled at Lexington, Ky., June 11, when Federal Judge Cochran will decide just what methods will be used in returning the premiums.

In the meantime agents can do nothing but "pass the buck" where customers are asking them when they will make the refunds.

Rating Bureau Meeting Set

RICHMOND, VA., June 5.—The annual meeting of the Virginia Insurance Rating Bureau will be held in Richmond, June 24. The constitution prohibits voting by proxy. Member companies must

be represented by an official or by a manager or a general agent having jurisdiction over Virginia. This applies to both stock and mutual companies represented in the bureau. Frederick E. Nolting, president of the Virginia Fire & Marine, is the present chairman, having filled this office since the bureau was created by legislative act a year ago.

Charleston Board Elects

J. Vincent Price of Charleston, S. C., has been elected president of the Charleston board. L. Addison Ingles was chosen vice-president and R. Shubrick Pinckney, secretary and treasurer.

Kentucky Notes

Duquet W. Fowler, connected with the Fowler & Taylor agency of Louisville, is announced as a candidate for reelection as state representative.

Herb W. Robertson, Henderson, Ky., state agent in Kentucky for the Hanover Fire, who is at the Mayo Clinic, Rochester, Minn., for observation, underwent an operation there last week.

The Culbertson Insurance Service of Ashland, Ky., has filed articles of incorporation. The capital is \$10,000. Incorporators are R. E. Culbertson, M. D. Culbertson and Doris Kunkle.

The first fire loss of any size reported in Kentucky in several weeks was that in the Broadway Methodist Church, at Paducah, Ky., June 2, causing damage estimated at \$50,000. The blaze started in the roof and is believed to have been caused by lightning.

PACIFIC COAST AND MOUNTAIN

BOARD COMMITTEES NAMED

Griffith Heads Rates and Rules Group —Coast Governing Body Faces Difficult Problems

SAN FRANCISCO, June 5.—In view of the present unsettled conditions confronting the Pacific Board and intensified by the withdrawal of the Bassett companies, the newly appointed committees of the board are facing one of the most difficult years in its history.

Committees which have heretofore not been forced to any degree of activity will now be called upon to consider and act on various phases of the present problems. McClure Kelly, chairman of the executive committee, undoubtedly had this in mind when he formed the various standing committees, for a study of the personnel of each indicates the members have been selected for their experience and knowledge of the various subjects. The committee chairmen are as follows:

Rates and rules, R. H. Griffith, vice-president Glens Falls; earthquake, A. J. Chapman, general agent; schedule, A. N. Lindsay, secretary of the California; sprinklered risk, F. L. Hunter, manager Norwich Union; brokers' exchange and metropolitan area, T. H. Anderson, manager Liverpool & London & Globe; Los Angeles committee, H. R. Burke, manager Royal; states committee, T. H. Anderson; conference committee, Clifford Conly, president of the board.

MUTUAL WON'T COMPETE WITH STOCK CARRIERS

SEATTLE, WASH., June 5.—That the Northwestern Mutual Fire refuses to write fire insurance at the present rates charged by stock companies in the state of Washington and will pass up business if required to write at rates as low as its competitors, is the unusual statement made by its president. The stock companies cut their rates 35 percent, and as one item secured \$5,000,000 of insurance from the Seattle port commission, which was formerly carried in the mutual. The business this year was given to the American Insurance Agency

of Seattle, which placed the business in non-board stock companies.

Effect of Separation Rule

SAN FRANCISCO, June 5.—Boden, Gassan & Arnold, Henry Broderick and Carter & McDonald, among the most prominent agencies in Seattle, are reported to have resigned their non-board affiliations, which in the judgment of San Francisco executives is one of the most important steps toward effecting absolute separation in that territory. Managers also state that the California situation is closer to a solution, as according to reports in San Francisco the agency of Hughson & Sweet of Fresno has merged with the Fresno branch office of Rule & Sons agency and the brokerage firm of Los Angeles. Mr. Swett is president of the California Association of Insurance agents.

Vernor Speaks in Denver

Richard E. Vernor, manager of the fire prevention department of the Western Actuarial Bureau, is in Denver this week, where he is booked for several addresses. On Wednesday he spoke at a luncheon meeting of the Kiwanis club; Thursday he addressed the Rotary club at a luncheon meeting, and Friday he speaks before the Gyro club at a noonday meeting. These are the leading luncheon clubs of the city, the membership of which includes outstanding representatives of the business and professional life of Denver. In addition to the scheduled speaking engagements, Mr. Vernor will attend the annual meeting of the Association of Fire Insurance General Agents.

Opens Salt Lake City Office

SALT LAKE CITY, UTAH, June 5—W. G. Wells of the Pacific board has come to this city for the purpose of establishing an office which will investigate fires of an incendiary origin in Utah and parts of Idaho, Wyoming and Nevada. The personnel of the office, of which Mr. Wells will be head, will cooperate with the Salt Lake City fire department in local investigations.

Levison Addresses Home Office Group

SAN FRANCISCO, June 5.—An evening of song and story was enjoyed by the Fireman's Fund "family" and their friends, when President J. B. Levison of

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Cool Enchanting Nights
Their Imperial Highnesses
PRINCE AND PRINCESS
ASAKA OF JAPAN

graciously acknowledge the hospitality of the Ambassador in an unsolicited message thru Chuichi Ohashi, Japanese Consul, who wrote:

I take pleasure in conveying to you their hearty gratitude for the courtesy and hospitality with which your hotel accommodated them. No Hotel in the World offers more varied attractions—superb 27-acre park with miniature golf course open-air plunge and tennis courts. Riding, hunting and all sports including 18-hole Rancho Golf Club. Motion picture theater and 25 smart shops within the hotel. Famous Cocoanut Grove for dancing nightly. Write for Chef's Cook Book of California Recipes.

ATTRACTIVE
SUMMER
RATES

BEN L. FRANK,
Manager



the Fireman's Fund group gave an illustrated lecture on his recent trip on the Nile, when accompanied by Mrs. Levison and his son George he toured Europe and the Holy Land. The company's glee club, composed of 14 employees, rendered a number of selections before and after Mr. Levison's talk. The affair was attended by more than 500 people.

Agents Study Farm Merit Rating

OLYMPIA, WASH., June 5—Agents in Washington are showing increased interest in proposal to adopt a merit system of rating for farm property. The standard stock fire companies have adopted the system in California, Idaho and Montana and a meeting of the Washington advisory committee will be held in July when it is expected the matter will be decided. The new plan establishes a basic farm rate slightly higher than the present rates and then deducts credits for owner occupancy, construction and maintenance features, etc.

American Auto to Appeal

OLYMPIA, WASH., June 5—The American Automobile will appeal to the Washington supreme court from the decision of the Thurston county superior court, which upheld the contention of Commissioner Fishback that the company's investment in its running mate, the American Automobile Fire, is contrary to Washington laws. The department had ruled that the company was seeking to do business in the state under more favorable terms than allowed local companies and a friendly suit was instituted for purpose of determining the question.

Casper's Losses Greatly Reduced

That fire prevention pays handsome dividends in conserving property is most strikingly exemplified in the case of Casper, Wyo., a city of 23,000 population. In 1925 a fire prevention educational campaign was inaugurated and made a year around activity, with the following gratifying results: A per capita loss of \$1.76 in 1926 was reduced to 59 cents the following year and this was again reduced last year to 13 cents.

Marion P. Wheeler, a prominent local agent, calls attention to the fact that while there were 107 fires in the city last year, the property loss amounted to only \$3,000.

State Hail Fund Now Functioning

DENVER, June 5—County assessors and deputies in all sections of eastern Colorado were furnished during the week with application blanks for state hail insurance and announcement was made that farmers may now obtain coverage under the new law to the extent of \$5 or \$7 per acre on non-irrigated crops, and \$10 or \$15 per acre on irrigated crops. Under provisions of the statute the fund for paying losses will be created from a special indemnity tax on the land of the owners taking insurance, it is explained by T. P. Detamore, state hail insurance commissioner.

Set Utah Agents' Meeting

The Utah Association of Insurance Agents will hold its annual meeting at the Hermitage hotel in Ogden, June 22.

Wickler on Eastern Trip

Jay C. Wickler of San Francisco, assistant manager of the Pacific Coast department of the Great American, was in Chicago this week visiting the western department.

Coast Notes

The Southwestern Fire of Phoenix, Ariz., has been admitted to membership in the Pacific Board.

Harry F. Badger, secretary of the Pacific Board, has returned from a trip east, where he attended the meetings of the N. F. P. A. and the advisory engineering council of the National Board at Memphis, Tenn.

Lenc & Drotte, S. L. Jacobi, George Catertag and A. J. Chapman have been admitted to membership in the San Francisco Insurance Brokers Exchange. Harold J. Bonahon and Mrs. Lewis C. Levey have resigned their membership.

Jay W. Stevens, California state fire marshal and chief of the fire prevention bureau of the National Board, is in Vancouver, Canada.

couver arranging for the holding of the annual convention of the Pacific Coast Association of Fire Chiefs there this fall.

W. K. Graham, former president of the Placer County Association of Insurance

Agents, has been elected president of the Lions Club of Auburn, Cal., his home city. Mr. Graham is well known in Pacific Coast insurance circles and has served on a number of important committees of the California association.

EASTERN STATES ACTIVITIES

FORM CONNELLSVILLE BOARD

J. Donald Porter Made President of New Organization—Laughlin Is Secretary-Treasurer

The local agents of Connellsburg, Pa., have organized a local board known as the Connellsburg Insurance Agents Association, being a branch of the Pennsylvania association. J. Donald Porter was elected president; John J. Brady, vice-president and James R. Laughlin of the Kelly Cook Company, secretary-treasurer. The executive committee consists of T. S. Barner, chairman; T. D. Gardner and Paul S. Brickman. Frank G. Moses, manager of the Pennsylvania Association of Insurance Agents, is largely responsible for the organization of the board and was present to assist in its initial work. This was the 35th local board organized in Pennsylvania.

Magrath Promoted in Department

Joseph J. Magrath, Jr., has been appointed chief of the rating bureau of the New York department. He succeeds the late Samuel Deutchberger. Mr. Magrath has been with the department since 1921 and is especially well fitted for his new work. He has been handling the work of the bureau since Mr. Deutchberger's death.

Mutual's Creditors Get 10 Percent

HARRISBURG, PA., June 5—The preliminary report made to Commissioner H. Taggart, on the affairs of the bankrupt Spring Garden Mutual Fire of York shows there is \$33,524 to be distributed among creditors, with claims of \$160,450 outstanding. Commissioner Taggart, as statutory liquidator, has recommended that only 10 percent of the claims be allowed at this time, thus leaving ap-

proximately \$17,479 for further accounting.

The department took charge of the company May 3, 1927. Since that time the work of liquidation has been under the supervision of S. Walter Bunting, representing the insurance commissioner.

Gregerson Heads Rome, N. Y., Board

L. T. Gregerson of Roth & Gregerson is the new president of the Rome, N. Y., local board. Other officers are: First vice-president, Arthur M. Lovier; secretary-treasurer, Mrs. Newton H. Jones.

Blue Goose Meets Friday

The annual meeting of the New England Blue Goose will be held in Boston, Mass., Friday. Edward C. Ryan of New York, deputy most loyal gander, will install the incoming officers.

Set Pennsylvania Agents' Meeting

The Pennsylvania Association of Insurance Agents will hold its annual meeting at the Penn Alto hotel, Altoona, Aug. 22-23.

New England Notes

The Halifax Fire has been admitted to Maine.

The Portsmouth Insurance Corporation has been incorporated to engage in the insurance business in Portsmouth, R. I. Incorporators are Charles Gifford, Norman Hall, M. J. Murphy, Arthur A. Sherman, Perry J. Sherman, Allen V. Long, Howard Hathaway, Augustus Brown, Alexander Boone, W. P. Sheffield and Cornelius Murphy.

Eastern Notes

The Minnesota Fire of Chatfield, Minn., has been licensed in Maryland. Morton Wolman is general agent.

William Tucker Ford, who was in the local agency business in Cohoes, N. Y., for almost 40 years, died at his home there.

The Brown Insurance Agency of Reading, Pa., has been incorporated with capital of \$5,000 by Augustus M. Brown and George A. Brown, Reading, and Harry W. Morrow, Stony Creek Mills.

MOTOR INSURANCE NEWS

ADJUSTING UNITS POPULAR

Companies, Agents and Policyholders Benefit from Service Offered by Pacific Coast Conference

The adjusting unit division of the Pacific Coast Automobile Underwriters Conference has been established for two years and has already saved the cost of instituting and maintaining the service. The unit makes monthly reports showing the amount of repair work done by the units and whether or not adjusters have been employed. There are 203 shops working under this agreement, all of them in California with the exception of one at Reno, Nev. Between 85 and 95 percent of the adjusting units are also service units of the National Automobile Club.

Through field work, shops have been induced to adopt economical methods of repairing damaged automobiles, and factory methods for checking frames and axles have been taught. In a number of cases the adjusting units have saved a considerable amount for the companies on good sized repair bills and the companies have come to depend upon this service to a great extent.

Valuable in Club Competition

The adjusting unit aids the companies in competing with the automobile clubs and associations which have been especially active in California. With 203

adjusting units, the service the companies offer is far better than any club or association can render. Claims can be dealt with in several days less by the new method so the service is extremely popular with the agents and policyholders.

The report shows that during the month of March alone the unit service was worth \$6,012 to the companies.

William T. Lovell is superintendent

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of the service and J. R. MacKay, chairman of the conference's adjusting units committee. It is planned, according to Mr. Lovell, to extend the service to cities on the main roads of Washington and Oregon in the next few months.

LAMONT RESIGNS AS MANAGER

Gives Up Position of Secretary-Manager of Eastern Automobile Underwriters Conference June 30

NEW YORK, June 5.—C. R. Lamont, secretary-manager of the Eastern Automobile Underwriters Conference for the past two and a half years, has resigned, effective June 30. He will take a vacation before assuming a new connection.

A graduate of the Massachusetts Institute of Technology, Mr. Lamont's first insurance experience was with the Pacific Board as engineering inspector in Los Angeles. Subsequently he traveled the New England field as special agent for the automobile department of the America Fore companies, at the same time adjusting losses for their several other business divisions.

He then joined the Employers Fire, organizing its adjustment department and doing other creative work. He was

called by E. C. Stone, United States manager of the Employers Liability, as an assistant in the activities of that organization. His broad underwriting knowledge induced his appointment as secretary-manager of the Eastern Automobile Underwriters Conference on Dec. 1, 1926.

KANSAS SCHEDULE REDUCED

Cut of 20 Percent in Fire, Theft and Collision Rates Has Been Put Into Effect

TOPEKA, KAN., June 5.—The insurance companies writing automobile lines in Kansas have put into effect a new schedule of fire, theft and collision insurance rates that are a marked reduction from those previously in force.

Expect Larger Business

Shortly after the legislature passed the bill giving the insurance department the same authority over motor car theft rates as it had been exercising over fire, tornado and hail rates, the insurance companies filed a new motor car schedule. It made many material changes in the schedules and the department refused to approve it and permit the new rates to become effective. The companies then withdrew the schedule and

worked out a new one which was satisfactory to the department.

The companies assert that the new schedule will make a material reduction in their premium income. The department admits that the new schedule will be a material decrease in the cost of the insurance on motor cars but insists that the reduced rates will bring the companies a larger coverage and that the aggregate income will not be materially affected by the reductions.

It was estimated by officials of the insurance department that the reductions

would aggregate between 20 and 25 percent and the increases were of such small amounts that it was believed that the total reductions would be as much as 20 percent as an average.

Approve 50-50 Plan in Oklahoma

OKLAHOMA CITY, June 5.—The Oklahoma insurance board has decided to approve the 50-50 collision proposition made by the fire insurance companies on automobile coverage, providing the companies will file an amendment to the schedule for that class of coverage, according to A. L. Roark, secretary.

IN THE CANADIAN FIELD

COMPANIES ARE COOPERATING

Carriers Writing More Than 90 Percent of Ontario Auto Business Agree to Submit Data to Probers

TORONTO, June 5.—In connection with the last session of the Ontario automobile insurance rates inquiry, companies representing more than 90 percent of the total volume of the automobile insurance written in the province of Ontario in 1927 have signified their willingness to cooperate, and have un-

dertaken to insure the completeness and accuracy of the data required to be produced. This includes a number of independent or non-bureau companies, as well as members of the Canadian Automobile Underwriters Association. The Ontario department has issued a memorandum to the companies concerned in which the form of the returns is embodied. The bureau companies are to supply their figures to the bureau, which in turn files them with the commissioner, while the independent companies are to cooperate with a nominated statistical organization, which has been directed

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by the commissioner to compile the independents' data. The cost of preparing such data is to be borne by the bureau and the companies themselves.

When it was suggested at the last sitting of the commission that the years 1925 and 1926 be included in the figures asked for, the companies requested that part of the cost be absorbed by the commission, and therefore in order to reduce the cost to the companies, and facilitate the work of compilation, it was agreed by the commission that the returns for these years need not be filed. Some discussion has been engendered in insurance circles by a statement made at the inquiry to the effect that some companies were issuing renewals of policies at the old and lower premium rates to insureds who made no claims against their policies in the preceding year. While this is being done by a few companies, and only to their former policyholders, the members of the Canadian Automobile Underwriters Association have been writing all policies at the rates announced to become effective Feb. 1, 1929.

WESTERN CANADA OFFICERS ARE ELECTED AT WINNIPEG

WINNIPEG, June 5.—At the annual meeting of the Western Canada Insurance Underwriters Association, held in Winnipeg, the president, Thomas Bruce, and vice-president, J. C. Waugh, were continued in office. The following officers were elected to represent the fire branch: Chairman, James A. Dowler, Canadian Fire; vice-chairman, E. M. Whitley, Norwich Union Fire. New members elected to the executive committee were John Pickering, Royal; N. J. Black, Commercial Union, and W. H. Hurd, General Accident.

In the automobile session, in the afternoon, E. P. Withrow, Dominion of Canada Guarantee & Accident, was elected chairman; N. Stuppard, Eagle-Star, vice-chairman. The following members of the executive committee were elected: F. T. Bryers, British America; W. H. Hurd, General Accident; John Pickering, Royal, and J. J. Milne, Motor Union.

Massie Heads Asbestos Corporation

TORONTO, June 5.—Lieut. Col. R. F. Massie, president of the Dominion Fire of Toronto, is the new president of Asbestos Corporation, Montreal. He was formerly identified with the asbestos industry as president and managing director of the Black Lake Asbestos & Chrome Company, which was merged into Asbestos Corporation in 1912.

McBride Made Assistant Manager

The Eagle, Star & British Dominions announces the appointment of A. McBride, formerly branch manager for British Columbia, as assistant manager for Canada. M. Nevill takes his place in British Columbia.

Report Losses in Winnipeg

WINNIPEG, MAN., June 5.—There were no less than four serious fires in Winnipeg the past week. The first broke out in the Union Stock Yards, across the river in St. Boniface and caused a loss of \$50,000. The next day the Winnipeg city park pavilion was razed to the ground by a fire believed to have been caused by marauders and a loss of \$27,000 resulted, with only \$16,000 insured. A fire in the basement of a building in the downtown section was

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quickly subdued by the firemen, but smoke caused a \$6,000 loss to motor cars on show above. Friday the Berkdale dairy and the Golden paint works in St. Boniface were destroyed by fire of unknown origin, with loss in excess of \$20,000.

Canadian Losses Compared

According to the "Monetary Times," fire losses in Canada for the week ending May 21 are estimated at \$95,150, as compared with \$314,900 for the corresponding week of 1928. From Jan. 1 to May 21 losses are estimated at \$9,205,350, as compared with \$7,782,500 from Jan. 1 to May 22, 1928.

Announce Meeting Dates

The annual meetings of the Canadian Fire Marshals Association and the Dominion Fire Prevention Association will be held at Ottawa July 4-5. The following week the annual convention of the Dominion Fire Chiefs Association is to be held at Cobourg, Ont.

Canadian Notes

Fire of unknown origin destroyed the planing mill plant of the Brunette Lumber Company at Sapaserton, B. C., with an estimated loss of \$100,000.

G. N. Ledger has been appointed manager of the Winnipeg branch of Dale & Co., general insurance brokers, and Ralph B. Payne has been appointed assistant to Mr. Ledger. Mr. Ledger has been connected with the firm for six years and was assistant manager before being promoted.

Appeal Matter Is Being Studied

(CONTINUED FROM PAGE 11)

sions must be reasonable, otherwise such large commissions might be allowed as to impair the financial ability of the insurance companies, and thus imperil their ability to meet their financial obligations to their policyholders.

"Since 20 percent is the amount of commissions paid to some of its local agents, the effect of this legislation is to determine that a commission in excess of that rate is unreasonable. The presumption is in favor of the reasonableness of the law until the contrary is made to appear." In affirming the decision of the trial court the superior tribunal offered no comment other than to give its endorsement "to the reasons set forth therein."

SEPARATION PLANS DEFERRED

Field Men Conferred With a Committee from the Pacific Board on the Subject

SAN FRANCISCO, June 5.—Separation will be put into effect on the coast at once. Special agents met with the sub-committee of the executive committee of the Pacific Board Monday and will confer again next Monday. It is reported that they have endorsed the plans prepared by this committee. It is understood that no drastic methods will be employed by the companies depending upon the individual loyalty of the agents to bring about the desired result. The meeting of the board expected to hear a report of the committee considering the commission question but it has requested more time owing to complications which have apparently arisen. It will report next week also. It is generally conceded that commissions will be increased somewhat. Relief measures are in the hands of the board's executive committee with full power to act where necessary. Agents will be advised that business will be protected.

The California agents association believes that commissions and separation are inseparably tied together and the organization has requested its members and other agents not to take any individual action until further notice. The agents expect to be called into further consultation with the board committees and will maintain their expressed contention that the commissions should be increased at once.

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Analyzes Term "General Agent"

(CONTINUED FROM PAGE 11)

companies in and throughout some definitely specified territory or territories, respectively, whose office is located elsewhere than at the home office of such company or companies; who receives and passes upon all daily reports and monthly accounts and receives and is responsible for agency balances, handles the adjustment of losses and has supervision and control over all of the local agencies and the local agency business, and the special agents of the company or companies or underwriters department in the prescribed field of the general agency.

"I believe it should be determined what rule or standard of qualification and eligibility should or can be established and maintained and let that be the unquestionable and invariable criterion.

Pacific Board Has Trouble

The Pacific Board has gone through strenuous and toilsome times in its efforts to solve some troublesome problems connected with the subject of general agencies. It has evolved rules which are more extended and expressed in greater detail than those of either one of the other two major jurisdictional bodies. By reason of the unique situation in San Francisco created by the traditional custom there of having only company or departmental offices and brokers, eliminating local agents as such, special provisions had to be devised for that city. The Pacific Board has also included a requirement respecting the minimum extent of a general agency territory and a minimum number of local agents which the general agent must supervise. Such conditions were omitted from the E. U. A. rules because it was believed that the restriction of the office to general agency functions exclusively would ensure the inclusion of a sufficient field and sufficient business to pay the general agent to operate.

Western Union Plans New Rules

"The Western Union has rather brief rules at present, but I understand that body is taking steps to bring its definitions and its requirements more in accord with the measures the other company associations have perceived the necessity to adopt.

"Our business is certainly to be congratulated that you men who exercise and are qualified to exercise the general management of the business of the companies should have instituted this association. Your influence and the regard you display for the responsible status of the general agent, properly so-called, should contribute powerfully to reestablish the réputation of the general agency office to regain its former position and place in our business."

Term Rule Has Been Extended in Central West

(CONTINUED FROM PAGE 3)

written for more than one year at term estimates.

SPRINKLERED RISKS

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1. Celluloid factories; cotton gins; grain elevators; mining properties; saw-mills; slaughter houses.

2. Contents of risks described in paragraph 1 above.

3. Contents of cotton compresses, cotton sheds, cotton warehouses, tobacco stemmeries, tobacco prizing and re-handling houses, looseleaf tobacco sales houses and tobacco warehouses.

Note: Where grain elevators, saw-mills and slaughter houses are auxiliary to other risks eligible to term insurance, and are located on the same premises, they may be included in the general schedule covering the main building at the same term multiple as applies to the main building.

General Agents Aid in Growth

(CONTINUED FROM PAGE 5)

cost, heavy competition and other factors which enter into the developing of an agency plant, it looks to me as though the best way to establish a company in a territory which is not familiar to the company officials is through a general agent, for the reason that the general agent confines his activities to a smaller and more compact field, in which he is more thoroughly in touch with conditions which have a particular bearing upon his business. He knows business, agricultural and climatic conditions locally. He has closer personal contact with the agents and can keep that touch which is so essential in developing and keeping the agency plant in harmonious working order.

"The general agent usually has several companies and an organization which can give his agents both capacity and instant service of a nature that would be impossible under any other system. He is, as far as his agents are concerned, the home office.

"The properly equipped general agent has an organization that is competent to develop an immediate income, and places at the disposal of the company an intelligent underwriting service that relieves it of one of the most serious problems confronting it upon entering a new territory, as well as the heavy expense of initial development, worry over agents' balances and other annoyances too numerous to mention—and at the same time gives the company reasonable assurance of profit on its operations in that territory.

Close Supervision Required

"The insurance business today requires closer supervision than ever before. With a company operating country-wide, it is necessary that the home office be constantly in touch not only with the field force, but with the producing local agent. A company official therefore has to determine how he can cover the entire territory at the minimum cost and at the same time give the maximum service to the representatives of his company. It is a physical impossibility under present conditions to supervise the entire country from the home office, through special agents, unless the company establishes various branch departments, with a manager in charge.

"The department office apparently is the most economical plan for an old, established company to follow, but the company which is expanding and building up an agency plant will find the present-day cost of maintaining a branch office too great, and it therefore resolves itself to the question of operating through special agents, direct, or through a general agency. It appears to me that the tendency now is for companies to establish themselves in general agencies, rather than establish department offices, and I believe that the general agent who is properly equipped and represents a sufficient number of companies has a greater opportunity today than ever before."

Episcopal Church Seeks to Place Its Insurance

The Church Properties Insurance Corporation at 14 Wall street, New York, is making an aggressive drive to insure all property belonging to or affiliated with the Episcopal church. Letters have been sent out to rectors of every Episcopal church in the country soliciting the business owned by the church in his parish. The concern has \$200,000 capital and \$100,000 surplus. The directors are prominent men in the financial and business world, such as J. P. Morgan, Joseph E. Widener, R. S. Brewster, George Cabot Lee, Frank L. Folk, George W. Wickersham and others. This company will deal direct with the church people through direct selling.



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"The jury finds that through the unsafe condition of your premises the plaintiff has been injured and damaged, and the jury fixes the damages at \$5000. The court, therefore, has entered its order on the verdict."

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The National Underwriter

June 6, 1929

CASUALTY AND SURETY SECTION

Page Thirty-seven

Discuss Health, Accident Issues

Conference Opens Annual Meeting
in Chicago—Several Factors Add to Attendance, Interest

GOOD SPEAKERS LISTED

Blevins, Johnson, Wysong and Woodruff on First Day's Program—Discuss Prorating of Disability Claims

Several factors combined to increase the interest in the annual meeting of the Health & Accident Underwriters Conference, the business sessions of which opened at the Edgewater Beach Hotel in Chicago, Wednesday morning. This is the first convention under the plan of holding but one meeting a year, which was adopted last September, and the first one ever held at this season of the year, as the meetings heretofore have been in March and September.

The presence of two other insurance gatherings at the same hotel this week also helped out the attendance. The insurance commissioners were in session the first half of the week and some company officials were present because of the possibility of combining attendance on the two meetings, who might not have been there otherwise. The Actuarial Society of America holds its spring meeting the last half of the week and a considerable number of the actuaries arrived a day early to sit in on the round table discussion at the conference session Wednesday on prorating disability claims.

Thompson Stated for Presidency

Tuesday was devoted entirely to recreation, that being the day for the conference golf tournament, while arrangements were made for the non-golfers to attend the baseball game between the Chicago Cubs and New York Giants. Two business sessions each day were scheduled for Wednesday and Thursday, winding up with the election of officers Thursday afternoon. It is generally assumed that T. Leigh Thompson, vice-president of the National Life & Accident, will be the new president. He was in line for the presidency in 1927, but refused to allow his name to be presented at that time, on account of the death of his wife a short time before the conference meeting, and now goes ahead with the progression interrupted at that time.

Powell Urges More Uniformity

Watson Powell of the Southern Surety, president of the conference, in his annual address laid especial emphasis on the fact that the companies are doing business on too small a margin. Among the factors he enumerated as contributing to this condition are the drain of taxation, the payment of excess commissions, in which connection he declared that companies writing other lines often

Attitude on Rating Body Being Carefully Studied

NEW YORK, June 5.—The work of the National Bureau of Casualty & Surety Underwriters is proceeding smoothly under the reorganization program, members of the body being more certain than ever that only through cooperative effort can the business be maintained upon a sound basis. The big problem before the bureau and one that is being studied with close interest is the attitude that should be assumed toward the National Council on Compensation Insurance. While the bureau is on record as favoring the withdrawal of all stock companies from the council they are doubtful as to the wisdom of enforcing such a policy, feeling that it might result in each of the different states setting up a statistical bureau of its own, as Pennsylvania has maintained for some years past. In that event the troubles of the carriers would be multiplied many fold.

Political Strength Recognized

The political strength of the mutual companies is recognized. These concerns are able to call to their support a following of their assureds, when matters are under review by legislative

bodies such as the stock organization can never muster. While the desirability of the stock companies naming rates and formulating programs regardless of the attitude of the non-stock carriers is fully endorsed, the practicality of the move is another matter and is one that managers are puzzling over.

offer excessive commissions on accident and health to make desirable connections for general casualty business, and the granting of too broad a coverage. On the latter point he emphasized especially the desirability of greater uniformity in policy phraseology. He stated that most of the men in the business do not want standardization of policy forms, but suggested that if the present multiplicity of policy forms could be reduced to possibly five or six forms, standard as to all their clauses, it would do much to make the public want this form of insurance and put it where it belongs as one of the insurance necessities, instead of being a specialty line as at present. He urged particularly that there should be a uniform phraseology for the insuring clause, principal sum provision, total and partial accident disability provision, confining and nonconfining sickness provisions. It was declared with special emphasis that the insuring clause should never be allowed to be used for competitive purposes.

Blevins Speaks on Competition

J. W. Blevins, vice-president of the Interstate Life & Accident, speaking on "Competition," said that the accident and health man should realize that his real competition is from the sellers of various commodities, who are mortgaging the buyer's future earning capacity, rather than from other companies in the same field. He declared that the companies' advertising should point out the community of interest in insurance, rather than stressing the financial growth of the companies themselves.

Clarence C. Wysong, insurance commissioner of Indiana, spoke on the necessity for progress in accident and health insurance and as in every other line of activity. He took some strong raps at the "limited policy" as causing more grief for that form of insurance than any other one factor.

Johnson on Program

Other speakers on Wednesday's program were W. C. Johnson, vice-president Massachusetts Protective, on "Present Day Service and Future Opportunities of Accident and Health Companies," and George Woodruff of the

National Bank of the Republic, Chicago, on "Readjustments in Credit."

One round table discussion, on prorating disability claims, was also on Wednesday's program, with L. D. Cavanaugh, vice-president and actuary of the Federal Life, as leader.

Cavanaugh Discussed Disability

Mr. Cavanaugh in discussing prorating stated that for a number of years life companies have been writing income disability without the management realizing that they were engaged in health and accident insurance. Substantial underwriting losses have been incurred. These losses have caused the companies much concern. Mr. Cavanaugh said that the prevailing thought was that rates should be increased. However, recently serious consideration to uniform form provisions has been given. Mr. Cavanaugh said that the committees that have been working on the subject of uniformity have recognized the question of over-insurance. It is much in evidence in the writing of disability insurance and is much more difficult to regulate than over-insurance in life policies. He said that first of all there should be some specific underwriting rule for determining what constitutes over-insurance. He said that if a prorate clause could be agreed upon by company and insurance department officials and then become effective through departmental rulings instead of legislation, he feels confident the benefit would be far reaching and would be two-fold in character by reducing loss ratios and reducing the cost of disability insurance to policyholders.

HEALTH & ACCIDENT CONFERENCE ISSUE

Detailed proceedings of the annual meeting of the Health & Accident Underwriters Conference, now being held in Chicago, together with the addresses given at that meeting, will be included in a special edition of THE NATIONAL UNDERWRITER which will be issued immediately following the adjournment of that meeting.

Moore's Interests Sought by Bureau

Plate Glass Rating Service Merger Proposed by Governing Body

ESTABLISHED 12 YEARS

Plan to Have Rate Expert Take Charge of Department of Company Organization

NEW YORK, June 5.—An effort will be made to induce W. F. Moore to merge his plate glass rating service with that of the plate glass department of the National Bureau of Casualty & Surety Underwriters, and to have Mr. Moore assume the management of the latter branch. A decision to that effect was reached at a recent meeting of the plate glass department of the National Bureau, and a committee with full power was named to conduct negotiations.

Developed Scientific Plan

Mr. Moore created his independent rating service 12 years ago at a time when plate glass insurance was at low ebb, and the carriers were gravely concerned as to its future. Through the development of a scientific plan of risk rating Mr. Moore was able to secure the effective co-operation of the great majority of the casualty companies of the country and the business was shortly placed upon a thoroughly stable and profitable basis, a condition that has continued until now.

Companies Must Join

Company executives generally are fully appreciative of what Mr. Moore has accomplished and the strong hold he has upon many of his service subscribers. They hope the idea of a merger of interests will appeal to him, and are prepared to make what they feel are liberal terms for the plant and for Mr. Moore's services as divisional manager, should he entertain a proposition. Under the terms of the revised agreement of the National Bureau, a member company must join the organization for all of its departments, not being free, as has been the case heretofore, to cooperate only in such divisions of the body as it sees fit.

Will Become More Aggressive

Now that a workmen's compensation law is effective in North Carolina the Globe Indemnity, which while entered in the state, has not heretofore been aggressive, proposes becoming so at once, and has already made plans to that end, concluding a number of important general agency appointments, which will insure it a fine volume of desirable business.

Chicago Branch Office Has Now Been Opened

O. W. HUNCKE AT THE HEAD

Southern Surety Establishes Its Quart-
ers in the Insurance Exchange
With Complete Equipment

The Southern Surety's Chicago branch office was opened Monday at 1919 Insurance Exchange, with O. W. Huncke, vice-president, in charge. The firm of O. W. Huncke & Co., who have been general agents since 1911, will be consolidated with the branch.

George F. Gehrke is manager of the casualty department and Eugene O'Brien assistant manager. I. J. Trenary is district manager of the personal accident department. John P. Rice is manager of the fidelity and surety department. James F. Smrz is safety engineer and W. C. Aldrich inspector. N. I. Barry is manager of the claims department. Virtus C. Rohm & Co. are special agents in the branch office. The Southern Surety branch office will also be the Chicago branch office of the Southern Fire. All the activities of the Southern Surety and Southern Fire in Chicago will be conducted from Mr. Huncke's department.

Mr. Huncke's Career

Mr. Huncke has been active in the insurance business in Chicago for many years. He started in 1900 as a broker. He then established his own agency in 1905 and became general agent for the United Surety. In 1911 his firm became general agent of the Southern Surety when it was writing surety business almost exclusively. Mr. Huncke personally has built up a choice surety business. Following the reorganization of the Southern Surety, the company being established under the New York laws, it branched out considerably and, headed by President Norman R. Moray, is making great progress. It has expanded in the casualty field and has organized the Southern Fire. Mr. Huncke's father, the late Carl Huncke, was for many years Chicago manager of the old Germania Fire, now the National Liberty Fire. The son was thus born into the business, so to speak. On the opening of his new office Mr. Huncke was the recipient of many magnificent floral bouquets which adorned his quarters in beautiful array. He is prominent in political and city circles.

U. S. F. & G. Announces Appointments

Fred O. Bosworth, formerly resident special agent for the United States Fidelity & Guaranty at Scranton, Pa., has been appointed field supervisor of the Harrisburg branch. His successor at Scranton is James H. S. Hall, who in turn is succeeded by Edgar L. Ginder. J. L. Starke has been appointed resident special agent at Phoenix, Ariz., to succeed G. B. Donaldson, who becomes field supervisor of the Los Angeles branch.

Charles B. McClure has been appointed special agent for the Kansas City branch. He was formerly a local agent in Kansas. A. Felleman Fish has been appointed special agent for the Philadelphia branch.

May Get Conditional License

LANSING, MICH., June 5.—Application for admission to Michigan of the Standard Casualty & Surety of New York is being favorably considered by the Michigan department, following the expressed willingness of the company to accept its license in this state on a conditional basis. The department authorities imposed the condition that the certificate of authority be subject to revocation without prejudice in event the New York company loses an action now pending in New York courts relative to the similarity in name between this company and that of the Standard Accident of Detroit.

Made Vice-President



O. W. HUNCKE
Head of the Chicago organization and
new branch office of the Southern Surety

Potters Get Commercial Casualty on West Coast

SAN FRANCISCO, June 5.—In addition to managing the Metropolitan Casualty, one of the Bassett fleet companies, W. W. & E. G. Potter of San Francisco have been appointed vice-presidents and general managers for the Commercial Casualty Company on the Pacific Coast, according to announcement made by Neal Bassett just prior to leaving San Francisco after several weeks spent in this territory. A. W. Sisk, who has been resident vice-president of the Commercial Casualty, and his entire staff of department heads are to continue as heretofore in the development and handling of the company's business in this territory.

BALTIMORE CASUALTY CLUB STAGES RECORD FIELD DAY

BALTIMORE, May 29.—The annual field day meeting of the Casualty & Surety Club of Baltimore, Friday, was one of the most successful ever held by that organization. At the business meeting held in the evening four new members of the board of governors were elected to take the place of the four retiring members. Those elected were Philip F. Lee, United States Fidelity & Guaranty; J. D. Mahon, New Amsterdam Casualty; Charles H. McComas, Fidelity & Deposit, and C. O'Donnell Lee, Maryland Casualty.

The yearly meeting for the election of officers will be held some time the latter part of June. It is expected that C. O'Donnell Lee will be elected president to succeed E. R. Nuttle, the retiring president.

The golf prize for non-golfers went to W. E. Moore of the U. S. F. & G., secretary of the club. Of the main golf program the low gross prize was won by E. R. Nuttle of the F. & D., president of the club. The three low net awards also went to F. & D. golfers, C. C. Kessler, first; John A. Luhn, second, and S. M. Hoyt, third. In the horseshoe pitching contest J. S. Galloway and C. W. Littleton of the F. & D. were winners. The driving contest for any golfer was won by R. H. Golden of the New Amsterdam.

In the bridge contest honors went to the United States Fidelity & Guaranty, with Charles L. Phillips and W. A. Edgar both vice-presidents, as winners.

New California Code Will Cause Pressing of Claims

FELLOWS GIVES SOME VIEWS

Company President Tells Some of the Features of the Motor Vehicle Law

SAN FRANCISCO, June 5.—One of the effects of the new motor vehicles laws in California will be the pressing of claims more determinedly by injured persons and owners of damaged property, according to C. W. Fellows, president of the Associated insurance companies. Discussing this, Mr. Fellows says: "There can be no doubt that these new statutory requirements will encourage injured persons whose property is damaged to press claims determinedly. In the past many claims have been dropped because it was apparent that the person causing the damage was financially irresponsible and without insurance. It is not only hoped that the new provisions will eventually eliminate financially irresponsible operators from our streets and highways, but that the accident frequency will be materially reduced by curtailing the number of careless and incompetent drivers now operating motor vehicles.

The new laws referred to by Mr. Fellows provide that failure to meet any final judgment within 15 days will result in suspension of the license of the operator and the registration of the car until such judgment is satisfied and the person against whom the judgment is rendered gives proof of his ability to respond in damages in the future. "The new law," said Mr. Fellows, "places the automobile owner in a position whereby he must virtually guarantee payment of the judgments up to \$1,000 for property damages and \$5,000 for injuries to one person and \$10,000 for injuries to two or more persons. The new law also provides that the owner is liable for damages resulting from the negligent operation of the car by any person using it with his expressed or implied permission."

PACIFIC INDEMNITY SHOWS BIG GAINS UP TO APRIL 30

According to a report issued last week by M. R. Johnson, vice-president and general manager of the Pacific Indemnity, net premiums for the first four months of 1929 increased from \$1,250,257 for the same period of the previous year to \$1,617,244, a gain of 29.4 percent. Admitted assets as of April 30, aggregated \$6,630,424, an increase of \$404,074 since the Dec. 31 statement. The surplus on April 30 stood at \$1,799,825, which, with the capital of \$1,500,000, gives a surplus to policyholders of \$3,299,825.

Due to the policy of the company in carrying substantial reinsurance against such catastrophes as the Los Angeles automobile show fire, the net loss to the company as a result of that fire was only \$10,000, although 101 cars were insured and \$17,475 was disbursed in payment of losses.

Edgar Will Serve as Entertainment Chairman

W. A. Edgar, vice-president of the United States Fidelity & Guaranty, who is in charge of the agency department, has consented to act as chairman of the entertainment committee at the forthcoming casualty insurance convention at White Sulphur Springs this fall. Mr. Edgar served in the same capacity last year to the great satisfaction of all present. The entertainment chairman has charge of all the activities of the week outside of the business sessions.

Universal Companies Opening Added Offices

WILLIAMS GOES WITH GROUP

Arrangements Are Made to Extend the Operations in Various States—Appointments Made

Edward T. Harrison, president of the Universal Automobile and Universal Casualty of Dallas, announces the opening of a department office at 1203 Nashville Trust building, Nashville, Tenn.

It will supervise business in Tennessee and Kentucky and will have charge of production, underwriting, claims, collections and all other phases of the companies' business. A. L. Williams, recently with the Firemen's group, is manager. Mr. Williams has resigned his state agency connection with the Firemen's. He was for several years with the Milwaukee Mechanics. He has had a long and varied experience in the field and has held important positions in the home office of the Milwaukee Mechanics, being superintendent of agents at the time the company was sold to the Firemen's.

The Universal Casualty has received its license to write general automobile and casualty lines in the state of Washington. C. B. DeMille, general agent at Seattle, will represent the company. Mr. DeMille is also general agent for the Universal Automobile and Trinity Fire of the same group.

The Universal Casualty has entered Missouri. It will operate in Missouri through the offices and field force of the Universal Automobile. The companies have a branch office in Kansas City, located at 211 Reliance building, with E. A. Hook as branch manager. In St. Louis, another branch office is maintained and managed by W. B. Plummer, Jr. M. O. Weber is special agent for the balance of the state.

S. M. Saufley, Jr., Youngest Kentucky General Agent

S. M. Saufley, Jr., of Richmond, Ky., has been appointed general agent for the Republic Life & Accident of Louisville and Inter-Southern Life. He is the son of S. M. Saufley, now assistant to the president of the Inter-Southern Life, who was formerly insurance commissioner of Kentucky. Mr. Saufley is the youngest general agent in Kentucky, having graduated only last year from the Richmond, Ky., high school. He is regarded as one of the brightest young insurance men in the state.

Sketch by Graduating Class

A sketch entitled "Casualty & Surety Review" was given by the members of the graduating class of the Maryland Casualty training school before the office force at the graduation exercises. L. H. Lippincott, superintendent of the training school, acted as teacher. President F. Highlands Burns presented the certificates to the graduates. Mr. Lippincott and J. P. Coffey, Jr., president of the alumni association, spoke.

A. R. Kroppach Resigns as Federal Surety Attorney

HEADED CLAIM DEPARTMENT

H. A. Hodges Becomes General Counsel and B. H. Henderson Is Advanced to Superintendent

DES MOINES, IA., June 5.—The resignation of Arthur R. Kroppach, for the past seven years attorney and superintendent of the liability and compensation claims department for the Federal Surety of Davenport, has been announced by W. L. Taylor, president and general manager. Mr. Kroppach plans to enter life insurance as a special district representative for the Equitable Life of New York, with George F. Nickles, district manager at Davenport.

Harold A. Hodges has been promoted to general attorney for all underwriting and claim departments of the company and assumes the duties of Mr. Kroppach in addition to his own as attorney for the fidelity and surety claim department.

Berlin H. Henderson, heretofore assistant superintendent of the liability and compensation claim department, succeeds Mr. Kroppach as department superintendent.

Traders & General Elects W. B. Shoe Vice-President

W. B. Shoe has been elected vice-president of the Traders & General of Dallas. Mr. Shoe was formerly chief actuary of the casualty division of the Texas board of insurance commissioners. Mr. Shoe entered the employ of the Maryland Casualty 23 years ago, engaging in workmen's compensation and automobile underwriting and rating for eight years. Later he joined the Massachusetts insurance department, acting as supervisor of compensation rating until 1918, when he became adviser on casualty insurance for the United States Shipping Board. He took charge of compensation and automobile rating in Texas in 1923.

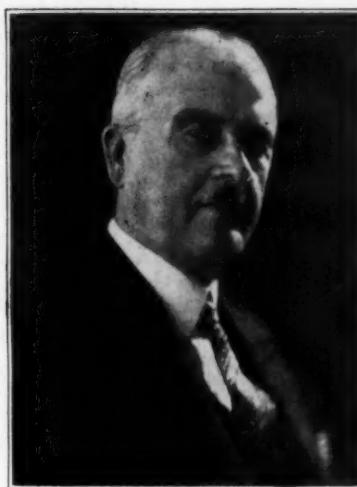
Employers' Group Agents Gather at Swampscott

BOSTON, June 5.—Over 50 of the Employers' group's leading producers from the middle west and the south attended a four-day convention in Swampscott, Mass., this week. These producers came from the territories under the supervision of Charles H. Garrison, resident manager, Detroit; Thomas E. Hanlon, general agent, Cincinnati, and Stone, Stafford & Stone, general agents, Indianapolis.

One of the features of the program was the annual outing attended by the employees and friends of the Employers Liability, American Employers and the Employers Fire totalling well over 1,200. The entertainment provided for the visiting agents was varied and included automobile trips to points of historical interest, a theater party, ball game, etc. John J. Murray, superintendent of the production department, was in charge of the arrangements and was assisted by Thomas J. Quinlan, superintendent of the agents department. Edward C. Stone, United States manager of the Employers Liability, and president of the American Employers and Employers' Fire, presided at the business conferences.

The Inter-Ocean Casualty Scherr, month in the industrial department was a great success in honor of President J. W. Scherr. The weekly debit was increased by \$1,755, with a very high percentage of collection. Exceptional work was done by the Pittsburgh and Cincinnati districts.

A. E. Forrest, Jr., Joins Father



ALFRED E. FORREST
President North American
Accident



ALFRED E. FORREST, JR.
Assistant Agency Director North
American Accident

Forty-three years from the time Alfred E. Forrest founded the North American Accident of Chicago, Alfred E. Forrest, Jr., his son, joined the company as assistant agency director. In 1886 accident and health insurance was considered an unusual type of protection, and those who headed the company in that time had no assurance that the venture would be in all ways successful. However, they had faith, energy and courage. These qualities combined with integrity in the conduct of the business have sent

the organization forward to success. Young Mr. Forrest takes into the organization the same spirit that has animated his father. He will work with the home office personnel and the field force for the advancement of the company.

June 15 will be celebrated as "Founder's Day" with the company. The agency staff will conduct a drive for new business, the applications to be mailed in to the new assistant agency director.

Buckeye Union Casualty to Cruise on Ohio River

The Buckeye Union Casualty of Jackson, O., will hold its 1929 meeting of agents on the steamer "Cincinnati." This is the largest boat operating on the Ohio river. The Buckeye Union has chartered it for the trip down the river. Agents will qualify for the trip. There will be cash prizes in addition to the opportunity to take the trip. The Buckeye Union Casualty announces that the 50-50 plan of writing collision insurance is now available to its agents. It states, for example, that under this plan an agent may collect \$19 from the owner for a Ford sedan, attaching the endorsement which requires that he pay an additional amount of \$19 when he reports a loss that he desires the company to pay. Commission is paid only on the first 50 percent of the premium. The trip on the Ohio river will start Sept. 25.

Dinner Given F. W. Hughes

F. W. Hughes, who recently took his post as vice-president of the Continental Casualty at Chicago in charge of its surety department, was tendered a dinner under the auspices of the Chicago branch with Vice-President Joseph S. Roberts in charge. Representatives from a number of surety companies in Chicago were guests. A. L. Kirkpatrick of the Continental Casualty head office served as toastmaster. Mr. Hughes was formerly vice-president of the Royal Indemnity.

Honored on Anniversary

NEW YORK, June 5.—In celebration of his thirty-fifth anniversary with the American Surety, A. E. Cotterell, vice-president, was the guest of his fellow officers at a luncheon yesterday. Congratulatory remarks were made by President R. R. Brown and Vice-President A. F. Lafrentz.

Nebraska Taxicab Owners Decide Insurance Is Best

INSURANCE MEN GIVE ADVICE

Result Is That Policy Form for Passenger Carriers Will Be Worked Out and Submitted

LINCOLN, NEB., May 29.—Although taxicab owners and jitney drivers in the small towns of the state protested to the state railway commission that the rates for liability insurance are higher than they can afford, and that the result of enforcing the new law that they give bonds for public protection would be to put them out of business and in the cities give the big companies a monopoly, the result of an all day conference was that liability insurance is preferable to the other alternatives of a surety bond or the posting of salable negotiable securities.

A dozen insurance men counseled with the commission in the matter, and they will work out a form of policy that will, it is believed, be acceptable. They will offer three graded rate schedules, one for Omaha, where property damage will cost \$60 and liability \$300; Lincoln, where the costs are \$70 and \$175 and the other towns, with \$60 and \$129 premiums yearly.

The matter came before the commission as a result of a law that will be effective July 25, requiring security to adequately protect the public.

International Now Has Department in New York

The International Reinsurance of Los Angeles is opening an eastern office at 84 William street, New York. William R. Mearns is made resident vice-president and manager. President Carl M. Hansen and Secretary J. V. H. Calliss have been in New York arranging for activity in the casualty and surety reinsurance field. The company has been confining its operations largely to the Pacific Coast. By June 30 it will have combined capital and surplus of \$5,000,000. Mr. Mearns has been vice-president of Henry W. Ives & Co., who carry on an extensive reinsurance and excess business.

Vacation Plan Innovation

A new vacation plan in which one-half of the office force will take their vacations during the same two weeks in July and the other half under a similar arrangement in August will be inaugurated by the Maryland Casualty this summer. The plan of concentrating the vacations into four weeks extending over two months instead of spreading them out over a four months' period is done in the interest of better service and to allow all the employes to go in July or August. Heretofore many have had to take their vacations in June or September, although preferring July or August.

Aetna Casualty Meeting

NEW YORK, June 5.—Contract agents in the accident and liability departments of the New York City division of the Aetna Life and affiliated companies held a production conference at Huntington, L. I., Tuesday and met at Peekskill, N. Y., Wednesday. Under the general direction of John S. Turn, vice-president and general manager of the New York City office, matters of high interest to the agents were discussed. The home office was represented by Vice-president E. J. Perrin, Jr., Secretaries C. G. Hollowell and R. I. Catlin, S. F. Withe, assistant director of publicity, and Field Supervisor C. T. Spaulding.

A WORLD OF PROTECTION

**UNIVERSAL
CASUALTY COMPANY**



Up to Date Policy Forms

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7 Coverage all-in-one Automobile Policy

Plate Glass Full Coverage and 50-50

Residence Burglary

Mercantile Safe Burglary

\$3.00 Auto Accident Policy

Manufacturers Liability

Elevator Liability

Minimum Endorsements

Golfers Liability

Contingent Liability

Teams Liability and Other Miscellaneous Liability Lines

Sports Liability

Contractors' Liability

Owners, Landlords and Tenants Liability

Edward T. Harrison, President

DALLAS TEXAS

An Answer to New Needs---

Now Demands---

the **\$3.00 Automobile, Accident Policy.**

Issued in connection with automobile P. L. & P. D. this accident policy evidences the manner in which this Company is answering Present Day demands.

The Universal Casualty Company has outstanding advantages to offer you—REALLY different, refreshingly modern and understandable Casualty policies and agency contracts.

It won't require 10 minutes of your time to find it out if you'll write today!

CHANGES IN CASUALTY FIELD

APPOINTMENTS ANNOUNCED

Continental Casualty and National Casualty Are Extending Their Operations in Eastern Territory

Edwin I. Woodman has become special representative of the Continental Casualty and the National Casualty in the New England territory, making his headquarters at Hartford. He traveled the territory for other companies for several years and knows both its business and the local agents. The Continental Casualty and its allied enterprise, the National Casualty, are aggressively developing field work, and intend a particularly active business-getting policy throughout the east. The results of the drive are already apparent. The National Casualty placed its Brooklyn general agency with Albert B. Liell, one of the long established agencies of the community. The Liell agency has represented the Mechanics & Traders Fire of New Orleans for years and with such satisfactory result that the representation of the National Casualty—a member of the National Fire-Continental Casualty family—has now been given it as well. William Manning, who gained his early casualty insurance experience with the Travelers, is manager of the Liell agency.

Howard Made Boston Manager

Storey B. Howard has been appointed manager of the casualty department of the Boston office of the Southern Surety of New York. He had been with the Travelers for the past 16 years in various New England centers, and hence is very familiar with the business of the territory.

McConnell Succeeds Elmer Warner

B. L. McConnell has been appointed Iowa special agent of the Constitution Indemnity to succeed Elmer Warner who has been made assistant western manager of the company in Chicago. Mr. McConnell has been in the local agency business with G. S. Avery & Sons in Mason City, Ia., for the last three years. His headquarters with the Constitution are in the Capitol Theatre building, Des Moines.

McDonough Succeeds Wagner

Joseph McDonough has been appointed successor to Herman D. Wagner as superintendent of claims for the Employers Liability and the American Employers in Chicago. Mr. Wagner is retiring from the business after 40 years with the Employers. Mr. McDonough went to Chicago from the home office some months ago to assist Mr. Wagner. John Burns, formerly of the Wilkes-Barre, Pa., office is Mr. McDonough's assistant.

Bassett with Standard Surety

Charles F. Bassett has been appointed by the Standard Surety & Casualty of New York as regional supervisor in New England. He plans starting development work in Connecticut, in which state he has been working for other interests for the past eight years. Mr. Bassett has been in the casualty field since 1912, serving first the Aetna Life and for the past 13 years the Ocean Accident & Guarantee.

Heads N. Y. Plate Glass Division

NEW YORK, June 5.—Richard J. Gibbons has been appointed superintendent of the metropolitan plate glass division of the Consolidated Indemnity of New York, going to that company from the Metropolitan Casualty after 22 years with the latter institution, during which time he acquired a thorough mastery of plate glass underwriting.

J. F. Whelehan

J. F. Whelehan, recently assistant to the superintendent of the bonding de-

partment of the Hudson Casualty, of Jersey City, has been appointed superintendent of agencies and assistant secretary of the company.

Thomas Meadowcroft

NEW YORK, June 5.—Thomas Meadowcroft has been appointed superintendent of the surety division in the metropolitan office of the Consolidated Indemnity & Insurance of New York. He was previously in charge of the surety department at the New York office of the Union Indemnity, before that having been associated with the National Surety.

Takes Federal Surety Claim Post

Lee Klous, manager of the claim department of the United States Fidelity & Guaranty in eastern Iowa and western Illinois, with headquarters in Davenport, Ia., has resigned to join the home office staff of the Federal Surety as assistant superintendent in the claims department.

Michaelsen Joins Norwich Union

Howard C. Michaelsen has been appointed Cook county special agent of the Norwich Union Indemnity. For the last five years he has been in agency work with the Metropolitan Casualty in Chicago, and for three years prior to that service with the London Guarantee & Accident. He has had much valuable experience in special agency work and has a large following in the county.

Loree Takes Michigan Post

George R. Loree has been appointed special agent of the Indemnity of North America for Michigan outside Wayne county, with headquarters at the new branch office of that company. Mr. Loree has a wide acquaintance in the field, having been for a number of years with the American Surety, the American Employers and the New Amsterdam Casualty.

Shadrach Joins Home Accident

William S. Shadrach, formerly Arkansas representative of the National Surety, has been appointed special agent of the Home Accident of Little Rock, with headquarters at Nashville, Tenn.

Central Surety Names New Directors

KANSAS CITY, MO., June 5.—John H. Smith, president of the Kansas City Title & Trust Company, and C. Russell Luger of the George B. Peck Dry Goods Company were elected directors of the Central Surety at its annual meeting.

Fred W. Fleming, president, reported net earnings for the calendar year as \$204,000 and for the first quarter, \$80,000. Premiums for the first four months were \$1,048,647, an increase of 24 percent.

Standard Moves New York Offices

All departments of the Standard Accident in the New York metropolitan area have moved into the new offices at 111 John street. The activities of the company in New York City are under the jurisdiction of Vice-president Eugene F. Ford.

Rexford Crewe, resident manager, will have general supervision over all Standard Accident activities in the new offices. A generous amount of excess space has been taken to permit of the company's future expansion in this territory.

Casualty Field Club Meeting

The Illinois Casualty Field Club will hold its annual meeting Monday, at which time the election of officers will take place. There will be no speaker at this luncheon.

Riley with Southern Surety

Charles S. Riley has been appointed production manager for the surety department of the Southern Surety in New York City territory. He was formerly in the Chicago branch of the Aetna Casualty and then went to New York for the Hartford Accident as superintendent of the surety department. More recently he has been at Haverhill, Mass., with the Busfield Machine Company.

WORKMEN'S COMPENSATION

STATE FUND REPORT ISSUED

Pennsylvania Organization Jolted by Two Major Coal Mine Catastrophes in Biennium

HARRISBURG, PA., June 5.—Premiums of \$7,802,768 were received in the biennium which closed June 1 by the Pennsylvania state fund, according to a report made to Governor Fisher. Premiums of \$4,094,949 were received from an average of 973 coal-mine policies, while the commercial premiums amounted to \$3,707,819. Reserve funds now total \$9,009,136. Included in this figure are reserves for unpaid losses of approximately \$4,569,704, a catastrophe reserve of \$1,000,000 and a surplus of approximately \$2,000,000.

In the period covered by the report the state fund suffered two big coal mine catastrophes, one May 19, 1928, at Mather, Pa., and the other March 21, 1929, at Parnassus. The Mather explosion resulted in 193 fatal accidents, which cost approximately \$800,000, while the Parnassus disaster cost \$250,000. At the time of the Mather explosion the state fund carried reinsurance with the Security Mutual Casualty of Chicago for \$500,000. The full amount of that policy, on a present value basis, was paid to the state fund by the Security Mutual, which made the net loss to the fund for the accident less than \$300,000. The fund carried reinsurance of \$500,000 with the National Union Indemnity at the time of the Parnassus explosion. This matter has not yet finally been adjusted.

Lee Ott Again Commissioner

CHARLESTON, W. VA., June 5—Lee Ott is again commissioner of the work-

men's compensation fund in West Virginia. A law recently enacted by the legislature provided for appointment of a new commissioner as well as making changes in administration of the compensation law.

C. L. Heaberlin was appointed commissioner two years ago for a six-year term by Governor Gore. Mr. Heaberlin's increase in premium rates aroused the coal operators in West Virginia and they backed the bill which authorized the governor to appoint a new commissioner.

Mr. Ott preceded Mr. Heaberlin as commissioner.

Colorado Maximum Increased

The Colorado workmen's compensation law has been amended to provide a weekly indemnity of 50 percent of the average weekly wage with a maximum of \$14 and a minimum of \$5, being an increase of \$2 per week over the former maximum limit. Medical and hospital treatment must be furnished by employer during the period of disability, not exceeding four months from the date of accident and \$500 in value. The old law limited treatment to 60 days and to \$200 in value. The death benefit is now \$4,375 instead of the former \$3,750.

Marysville, Oakland, Modesto, Stockton, Santa Barbara, Ventura, San Bernardino and Long Beach. According to Liles H. Lightfoot, vice-president and director of agencies, additional branches at San Diego, Fresno and Bakersfield will be established within the next 10 days.

Eastern Casualty Increases Capital

BOSTON, June 5.—The stockholders of the Eastern Casualty of Boston have unanimously voted to increase the capital stock of the company from \$100,000 to \$250,000 and to reduce the par value of the stock from \$100 to \$10 per share. The new financing will result in an increase of approximately \$175,000 to the surplus account. The company also announces that shortly it will be equipped to write certain additional lines.

Hold Conference of Iowa Agents

DES MOINES, June 5.—A conference of the Iowa agencies of the Massachusetts Protective brought William H. Mastin of Chicago, supervisor of agencies, to Des Moines for two days last week. Agents from 44 counties in the state were present. C. E. Cooper is general agent here.

National L. & A. Promotions

E. A. Penkert of Beaumont, W. D. Grissom of Memphis No. 3, R. E. Rabun of Chattanooga, J. L. Burns and W. A. Hanna of Cincinnati have been promoted to superintendents in their respective districts by the National Life & Accident.

New Texas Association Chartered

The attorney general of Texas has approved the charter of the United States Accident Insurance Association of Plainview, Tex. The purpose of the association is to write accident insurance on the mutual assessment plan without lodges. Incorporators are J. C. Dougherty, W. B. Martine, W. E. Redford and others, all of Plainview.

Reliance Life Extends Coverage

The Reliance Life announces that the provisions of its death-only accident policies have been extended to cover ac-

ACCIDENT AND HEALTH FIELD

MAKES MINNEAPOLIS CHANGE

Pacific Mutual Appoints Frank D. Cummings to Succeed W. H. Oshier as Manager

W. H. Oshier, who for the last 18 years has represented the non-cancellable and commercial accident and health departments of the Pacific Mutual Life in Minneapolis, and in addition the life department for the last two years, has been forced by ill health to resign all but the commercial business. He will retain the general agency for the commercial department.

Frank D. Cummings has been appointed Minneapolis general agent for the non-cancellable and life departments. He has been a Detroit general agent for a large eastern company for a number of years, and has made there a splendid record as an organizer. He will take over the work which Mr. Oshier has been forced to relinquish.

New Death and Dismemberment Policy

The National Life & Accident announces a new policy known as the

"Shield death and dismemberment policy." The premium is \$1 per month or \$12 per year. It covers loss of life, limbs or sight by accidental injury. The indemnity is increased 10 percent each year the policy is continuously in force up to five years. If loss occurs after five years all premiums paid are returned, in addition to the accumulations. The policy cannot be terminated during any period for which premium has been paid in advance. It is issued to any one over 15 and under 60 who is sound in body and health. The indemnity for loss of life, two limbs or sight of both eyes in Classes AA and A is \$4,000, B and C \$3,000, D and E \$2,000, X and XX \$500. One-half of these amounts is paid for loss of one arm or one leg, one-third for loss of one hand or one foot and one-fourth for loss of sight of one eye.

Sterling Extending Its Field

LOS ANGELES, June 5.—The Sterling Life, Health & Accident of Los Angeles, which began business two months ago, is rapidly extending its field. In May it organized ten branch offices throughout California and in the same period it had a premium income which on a prorata annual basis would amount to \$200,000 per annum. Branches have been opened in San Francisco, Sacramento,

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IS NOW OFFERED IN THE MIDDLE WEST
to agents and brokers through the new Midwest Department office established in Chicago.

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One of the Associated Insurance Companies

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D. D. BATCHELOR, Resident Vice-President

J. B. MEEHAN, Jr. Supt. of Agencies

St. Louis: A. B. McLean, Resident Manager, Planters Building

"THE ASSOCIATED PROVIDES SPECIAL FACILITIES FOR COMPENSATION RISKS ON A PARTICIPATING FORM"

cidental death within 104 weeks after date of injury provided the assured shall be continuously, totally disabled from date of injury to date of death. The full effect of this extension will be granted in the case of old policies.

Buy Furniture—Get Insurance

OKLAHOMA CITY, June 5.—The Tucker Furniture Company of this city is offering accident policies to purchasers of \$10 worth of furniture, at a nominal charge of \$1. The policies written in the Columbus Mutual Life, Columbus, O., may be issued to customers and members of their families between the ages of 15 and 70. For accidental death \$20,000 indemnity is provided; for loss of sight of both eyes or both hands or both feet, \$10,000; for loss of one hand, one foot or one eye, \$5,000. For total disability of 15 weeks or less, \$1 per week.

Pope and Voss Join Zurich

P. E. Pope, who for the last five years has been in group accident and health work in Chicago for the Washington Fidelity National, has entered the office of the Zurich as an independent broker. He will specialize in group accident and health business, which he will place with the Zurich.

Eugene P. Voss, who was Mr. Pope's assistant with the Washington Fidelity National, has joined the head office of the Zurich in Chicago in an executive capacity in the group accident and health department.

Offers New Policy for Women

The Sentinel Life of Kansas City announces a new "business women's special disability policy." The policy will be issued with monthly indemnity of \$20 to \$150 and principal sum of \$1,000 to \$5,000. Policies may be sold in level or unlevel amounts, but in no case will more than one unit (\$1,000) of principal sum be issued with each \$20 of monthly indemnity.

The first week is excluded on sickness indemnity. Indemnity for illness is paid for 12 months and for non-confining sickness, disability is paid for one month. Accidental indemnity is paid from one day to 48 months. Half indemnity is paid for partial disability. Hospital indem-

nity or nurses' fees are paid, not to exceed a 50 percent increase of the weekly indemnity. The policy provides indemnity for loss of life, limbs, sight, speech, hearing or time as a result of septic infection or blood poisoning. The rates for Class AA-A range from \$10.20 for \$1,000 principal sum and \$20 monthly indemnity to \$72.75 for \$5,000 principal sum and \$150 monthly indemnity.

New Oklahoma Company's Policies

The Income Protective Association of Tulsa, Okla., recently organized, is issuing three new policies, two of which are now in use and one to be issued June 1. The two already issued are for men, one a straight accident policy,

\$1,000 principal sum, first day and lifetime coverage. The other is a combination health and accident policy, with \$100 per month indemnity. It carries lifetime coverage on accident and 12 months on sickness and is written for business and professional men. The third policy, to be issued June 1, is the business women's special. It is a health and accident policy with \$1,000 principal sum, paying on all sickness, one day or more, and written especially for teachers, office workers and executives.

The Inter-Southern Life of Louisville has been admitted to Virginia. Information at the Virginia department is that it plans to write principally accident and health group business.

FIDELITY AND SURETY NEWS

NEBRASKA QUITS BANKING

Close 61 Failed Banks, Liquidate Two and Reorganize Five—Bliss To Be Receiver

LINCOLN, NEB., June 5.—The state of Nebraska is out of the banking business after six years of it. All of the 61 failed state banks that it has been operating as going concerns have been closed, two of the number have been almost completely liquidated and five are in the process of being reorganized. Secretary Bliss of the banking department has taken the preliminary steps to have himself named as a receiver for the remaining 54.

When the court acts it will place in his hands cash totaling \$1,080,000, along with a great mass of assets of unknown value, but estimated to be worth between \$7,000,000 and \$10,000,000. This represents the assets of the deposit guaranty fund, against which there will, with the proving up of claims completed, be entered judgments in excess of \$23,000,000.

WILL PROBE BOND WRITING

Milwaukee City Council Adopts Resolution for Investigation Into Grand Jury Report

MILWAUKEE, June 5.—Without a dissenting vote the Milwaukee council has adopted a resolution calling for an investigation into the grand jury report on city affairs and into the writing of bonds on public work by city officials. That this definite action may mean the council's taking up the matters with a view to correction of the existing evils is the feeling of some of the prominent surety men. One general agent declares, however, that the surety business generally in Milwaukee has suffered in prestige since it has been made the target of investigations recently, and that no actual benefit has accrued from the probes which have thus far been conducted into the selling of surety bonds by public officials.

A general opinion is that unless the council investigation, which is an outgrowth of the recommendation of the

grand jury, is merely a "political gesture," there is likely to be some activity of importance as a result, and that "there is really something to this investigation."

JUDICIAL BOND RECORD OF MARYLAND CASUALTY

Following the writing of the \$7,000,000 contract bond on the Department of Commerce building, Washington, the Maryland Casualty has broken what is believed to be another bond record in writing three large judicial bonds in one week, each amounting in penalty considerably over \$1,000,000.

They are a replevin bond in penalty of \$1,200,000 through the New York office, an administrator's bond through the Chicago office in penalty of \$1,900,000, and a guardianship bond from the Chicago office in amount of \$1,600,000.

Must Pay for Own Bonds

LINCOLN, NEB., June 5.—State officers may not use any part of the moneys appropriated for maintenance of their offices for the payment of premiums on their official bonds, Attorney General Sorenson rules in reply to an inquiry from the secretary of state. The legislature authorized no such use, he says, and in addition refused to pay such premiums out of the treasury when asked to do so in a bill submitted. The officers will continue to make such payments out of their own pockets.

Winners Make Long List

Representatives of 19 surety companies engaged in the first golf tournament of the season staged by the Surety Underwriters Association of Chicago. The following were prize winners: Harold Walker, Fidelity & Casualty; R. E. Hall, Columbia Casualty; H. Carlson, Aetna; Donald Donohue, Detroit Fidelity & Surety; John P. Keevers, Maryland Casualty; Louis Klein, Equitable Casualty & Surety; W. H. French, Royal Indemnity; A. G. Stanton, Massachusetts Bonding; Edward O'Donnell, Indemnity

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of North America; Peter J. Loranger, American Bonding; J. V. Keating, Northwestern Casualty & Surety; Gordon Fox, New Amsterdam Casualty; Walter W. Steiner, Globe Indemnity; S. P. Armstrong, Globe Indemnity; Herbert Colford, Independence Indemnity; John Daley, Eagle Indemnity; George Foy, Central West Casualty; John Black, Globe Indemnity; James Blanding, Metropolitan Casualty; R. F. Munsell, Columbia Casualty; Hopkins Davidson, Ocean Accident & Guarantee; Frank McVicar, Detroit Fidelity & Surety; H. J. Jeffery, Metropolitan Casualty; P. O. Oldstad, Continental Casualty; Timothy E. Dunne, Union Indemnity.

Slingluff Joins N. Y. Indemnity

Upton Slingluff has joined the New York Indemnity as a general surety underwriter. At present he is assigned to underwriting duty in Philadelphia on special work for the company's new surety general agent there, the Philadelphia Surety Company. For many years he was a member of the underwriting staff of the National Surety.

Road Surfacing Rates Cut

Premium rates on road surfacing contracts have been reduced from 1½ to 1 percent in Virginia by companies subscribing to Towner Rating Bureau service. The reduction is subject to approval of the state corporation commission, which now has supervision over rates. It is expected that the commission will readily approve the change in the rate, inasmuch as it is being reduced instead of raised.

Kentucky Bank Cashier Missing

FRANKFORT, KY., June 5.—The Fidelity & Deposit is on the bond of Edwin A. Reid of Taylorsville, Ky., cashier of the Taylorsville bank, who is missing. There is an alleged shortage of \$4,000, which is covered by a \$15,000 bond. Mr. Reid is reported to be a victim of the stock market.

Push Iowa Road Bond Program

DES MOINES, June 5.—Bonding companies are intensely interested in the highway development program now under way in the state. After the state supreme court declared the \$100,000,000 bond issue, voted on at the election last fall, unconstitutional, the voting of bonds for the improvement of highway by county action took on new life. Since the supreme court decision 18 counties have joined the 55 that had previously voted bond issues and now 73 of the 99 counties have voted \$86,000,000 for the paying of the primary road system in each county. Not a single county has rejected the plan since the high court decision. Elections have been called in a number of other counties, so that the amount actually voted and in sight will reach \$103,830,000.

Menelly with Pennsylvania Surety

PHILADELPHIA, June 5.—G. R. Dette, resident vice-president in charge of the Philadelphia branch office of the Pennsylvania Surety, announces the appointment of Ernest Menelly as head of the bonding department of the Philadelphia branch.

Mr. Menelly has had considerable Philadelphia agency experience and was with the Philadelphia uptown bonding department of the Standard Accident before joining the Pennsylvania Surety.

Joint Suits Bill Passed

MADISON, WIS., June 5.—Insurance companies will be prohibited from putting into their policies the clause that prevents injured persons from suing them jointly with the person who holds the policy and commits the injury, if the Wisconsin senate concurs with the bill to that effect, passed by the assembly recently.

The old law allowed joint suit by the injured person, against, for example, the person whose car had injured him, and the insurance company. Companies have placed clauses in their policies which made such suit impossible, and the bill passed in the assembly and sent to the senate would prohibit companies from doing this.

Stuart Fry has been appointed special agent with the Gaedke Miller Agency, Milwaukee, general agent for the Maryland Casualty. Mr. Fry was formerly in the Travelers Milwaukee branch.

J. A. Giberson Believes in the Merit Rating Plan

J. A. Giberson of Alton, Ill., in commenting on the address of Lyle Stephenson of Kansas City, Mo., at the Kansas insurance day celebration commends it most heartily but disagrees with the speaker on merit rating on automobile insurance. Mr. Giberson in giving his views on merit rating says:

"The principle of merit rating on automobile insurance is absolutely the best move that the casualty companies have ever attempted toward making an effort to satisfy that portion of the automobile public who do not have accidents. All those agents who are too lazy to go through the necessary performance of getting the necessary information or companies and agents who desire to spoil the effect of it by cutting the rate and giving the credit to anybody may spoil the application of this rule. However, it does not affect the principle. I maintain that it is absolutely the best thing that has ever been put out by the casualty companies. I hesitate to disagree with my friend, Stephenson, but in this particular case, although I may be one in a thousand that is interested in this proposition, and is willing to back it up, I will go to the limit to see that a success is made of merit rating."

Casualty Notes

The Hudson Casualty has been admitted to Indiana. The Federal Surety has been licensed in Maine and Maryland. The Seaboard Surety of New York has been licensed in Kentucky and Michigan. The Bankers Indemnity of Newark has been licensed in Oregon. The Yorkshire Indemnity has been licensed in Michigan. President C. R. Miller of the Fidelity & Deposit was in Chicago last week.

ATTENTION CLEVELAND SOLICITORS AND AGENTS!

Branch Office of large Conference Casualty and Surety Company will provide attractive office space, telephone and stenographic service free to desirable producers. Our present Agents know about this advertisement. Address M-54, The National Underwriter.

Of Interest to Brokers

General Casualty Company branch office in Insurance Exchange, having available more floor space than it can use, offers, without charge, equipped private office to responsible party. Address M-49, The National Underwriter.

EXPERIENCED SPECIAL AGENTS

Wanted by year old Conference Surety Company. Those acquainted throughout New York State, New Jersey, Pennsylvania and New England preferred. Give all details of experience and salary desired in first letter. Absolutely confidential. Address M-51, care The National Underwriter.

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HAL. H. SMITH, President

Detroit

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Premiums and Losses in 1928 in MARYLAND on All Classes of Casualty Business

	Total	Auto.	Liab.	Other Liab.	Work.	Comp.	Fidelity-Surety	Plate Glass	Burglary	Prop. D. & Col.									
	Prem.	Prem.	Prem.	Prem.	Prem.	Losses	Prem.	Prem.	Prem.	Prem.	Losses	Prem.	Prem.	Losses	Prem.	Prem.	Losses		
Aetna Cas.	\$ 131,627	\$ 62,502	\$ 36,207	\$ 17,738	\$ 457	\$ 18		\$ 14,429	\$ 13,909	\$ 4,555	\$ 1,178	\$ 15,683	\$ 6,990	\$ 51,212	\$ 21,331				
Aetna Life	292,963	115,057	40,511	18,659	21,836	2,826	106,212	59,709											
Allied Mut. Liab.	5,194	950	239		709		2,186	\$ 960									60		
Amer. Auto.	145,770	66,352																	
Amer. Bonding	116	50																	
Amer. Cas.	36,138	15,722	14,712	2,025	718	75	8,726	5,947	1,176		625	641				6,300	4,357		
Amer. Employers	4,267	980	230	375	283	48	1,673		789		20		400			326	537		
Amer. Motorists	51		36													15			
Amer. Mut. Liab.	525,693	286,824	46,160	27,066	18,401	6,100	435,574	227,178	118										
Amer. Reins.	12,182	34	4,394		983		6,723									5	160	28,370	
Amer. Surety	31,818	10,884														76		16,324	
Bankers Indem.	135,345	48,868	71,890	20,410	3,161	390	15,290	10,848											
Central Surety	6,859	12,793	1,850	8,868	25		31		12										
Central West Cas.	83,693	36,275	23,414	12,626	8,435	1,375	21,436	11,606	601		10,202	5,567				12,894	4,908		
Century Indem.	19,150	6,495	435	1,721	4,000	3,419	630	3,319	117	441	339	1,340	121	1,729	802				
Columbia Cas.	102,725	63,485	26,617	13,395	3,076	497	42,832	34,877	8,463	3,055	567	325	1,804	81	16,775	11,021			
Commercial Cas.	71,511	60,716	3,267	27,003	246	238	8,266	7,298	10,469	927	370	666	1,068	238	1,269	7,752			
Commonwealth Cas.	206,577	82,739	128,461	44,985	5,143	252							4,487	2,717		58,860	32,054		
Constitution Indem.	60,638	20,985	25,546	8,218	4,152	422	15,811	6,875	2,092	967	419	978	115	9,883	3,731				
Continental Cas.	120,420	44,569	12,601	1,403	3,588	140	64,399	28,021	2,307	5,466	740	322	1,200		5,952	3,223			
Detroit F. & S.	8,474	64																	
Eagle Indem.	77,895	69,958	18,404	10,389	5,300	1,266	35,352	18,950	2,297	33,002	2,591	1,160	5,060	350	8,124	4,773			
Employers Liab.	345,611	197,786	82,637	32,366	28,190	16,747	157,128	122,457	3,997	359	4,352	871	12,205	4,230	40,781	18,146			
Employers Mut.	11,329	1,670	2,861	240	566	6,079	1,028								1,822	401			
Employers Reins.	7,021	3,522	1,840		331		1,920	2,430	62					2,397	656	351	606		
Federal Mut. Liab.	92,224	73,962	8,126	2,926	3,402	3,491	76,196	64,506								4,500	2,639		
Fidelity & Cas.	319,572	140,962	90,823	50,636	12,064	3,768	38,570	48,064	31,102	8,600	7,410	1,642	19,288	5,466	42,350	34,323			
Fidelity & Dep.	377,996	163,502	89,736	36,747	7,285	2,531	40,483	29,059		34,066	160,361	66			53,864	3,141			
Gen. Acci.	213,645	97,549	89,736	36,747	7,285	2,531	40,483	29,059							3,644	1,648	16,792	19,419	
Gen. Cas. & Sur.	34,704	18,730	11,479	5,058	2,429	154	3,491	6,621	820	38	2,150	948	3,211	349	6,124	5,562			
Gen. Indem.	1,164																		
Gen. Reins.	54,260	40,580	14,817	7,139	3,143	87	3,336	140	7,310	12,130	8,057				3,762	485	755		
Georgia Cas.	3,141	16,750	1,185	10,317	816	200	5	2,963			109				25	148	851	3,626	
Glens Falls Ind.	79,482	9,766	50,836	4,614	1,322										4,117	12,079	4,749		
Globe Indem.	195,348	81,479	50,243	13,101	14,194	6,062	48,674	35,892	41,320	9,397	2,450	533	10,260	489	21,832	7,187			
Great Amer. Indem.	88,939	23,562	39,223	2,919	3,864	289	14,808	3,767	5,412	8,968	2,950	649	5,650	617	15,084	5,797			
Guardian Cas.	4,912	70	60	524		4,097		225								5			
Hardware Mut., Wis.	5,979	3,319	3,584	1,965	5													2,000	1,114
Hartford Acci.	267,042	117,661	86,058	26,859	10,680	1,937	71,884	35,616	41,491	25,520	9,222	2,806	9,168	73	29,633	9,598			
Indem. of N. A.	160,621	90,587	31,565	6,269	10,747	672	70,152	74,535	17,194	6,101	1,263	329	5,282	1,637	17,479	7,044			
Independence Indem.	67,761	27,877	21,737	9,101	5,510	290	11,138	6,751	7,000	1,000	1,809	596	3,107	392	12,612	6,555			
International Fid.	587																		
Liberty Mut.	325,470	121,395	40,028	10,332	13,948	1,442	256,732	102,821	1,274	954						23,491	5,801		
Keystone Au. Club C.	1,058	313	762	200											296	113			
Lloyds Pl. Glass.	3,281	973																	
London Guar.	179,126	81,602	34,304	11,760	10,661	5,240	94,947	62,041	486	3,131	1,217	222	3,366	11	19,971	8,288			
London & Lanc.	10,789	16,925	4,236	5,533	76	80	1,433	6,739	2,045	1,061	54	74	859	218	2,676	3,855			
Lumb. Mut. Cas., Ill.	69,547	26,207	40,078	10,965	982	21	7,146	8,417	78		251	29	563	20	26,247	6,755			
Manufact. Cas.	62,947	37,526	9,067	6,239	2,503	377	44,899	27,486								2,249	1,913		
Maryland Cas.	1,240,938	571,795	231,015	162,533	58,394	11,660	345,580	238,674	325,918	144,800	11,091	2,875	46,734	4,416	115,437	44,176			
Mass. Bonding	62,361	36,083	11,027	8,114	590	100	421	140	7,159	11,599	123	48	1,573	46	5,962	1,889			
Merchants Mut. Cas.	2,447	600	1,415	175												1,008	425		
Metropolitan Cas.	63,953	61,498	21,616	21,417	3,670	3,306	16,481	10,988	7,252	16,953	4,211	1,320	54	300	10,352	7,166			
Mut. Pl. Gl., Ohio	18,387	9,225																	
National Cas.	14,102	5,781	2,982	10	72											1,338	398		
National Surety	87,643	39,481																	
Nat. Union Indem.	33,925	19,597	19,437	14,391	1,826	308										24,567	2,923		
New Amsterdam	62,082	279,994	125,944	52,289	28,750	6,765	100,178	106,406	217,211	53,289	13,175	3,507	28,285	7,902	71,979	36,288			
N. J. Fid. & Pl. Gl.	15,247	1,721	5,890	337	58		130									2,676	918		
N. Y. Cas.	59,519	34,792	28,518	18,978	3,200	688										19,310	12,870		
N. Y. Indem.	56,926	43,962	23,096	15,050	4,111	1,918	14,439	18,911	856	197	1,013	662	1,847	437	9,047	6,673			
N. W. Cas. & Sur.	15,253	4,583	7,273	1,224	623	596	1,417	866					1,230	392	336	3,341	1,199		
Norwich Un. Indem.	2,985	1,099	580	969	225	4	1,069	2,13											

GENERAL REINSURANCE CORPORATION

CASUALTY

FIDELITY and SURETY

REINSURANCE

HOME OFFICE:

80 JOHN STREET, NEW YORK

Chicago
11 So. LaSalle Street

San Francisco
1927 Russ Building



**"We
will
replace
your
Plate Glass
this morning-**

**"Yes, two hour
service is not at
all unusual," Mr.
Jones; "We depend
upon the American
Glass Company,
the leading Chi-
cago company, to
carry out our
promise of prompt
Plate Glass Re-
placements and
they have never
failed us!"**

**AMERICAN
GLASS CO.**

1030-42 NO. BRANCH ST.
CHICAGO, ILL.

*Call
Mohawk
1-100*



Southern Surety Company of New York

announces the election of

O. W. HUNCKE, as Vice-President

and the removal of his office to
Suite 1919 Insurance Exchange Building
where it is now operating and is known as the
Chicago Branch Office, under the management of
O. W. HUNCKE, and his associates

NORMAN R. MORAY
President

PERSONNEL OF UNDERWRITING DEPARTMENTS Chicago Branch Office

CASUALTY
GEO. F. GEHRKE, Manager
EUGENE O'BRIEN, Asst. Manager

PERSONAL ACCIDENT
I. J. TRENARY, District Manager

CLAIMS
N. I. BARRY, Manager & Attorney

FIDELITY & SURETY
JOHN P. RICE, Manager

INSPECTION
JAMES F. SMRZ, Safety Engineer
W. C. ALDRICH, Inspector

VIRTUS C. ROHM & CO.
SPECIAL AGENTS

NEW PHONE NUMBER IS WABASH 1050

GENERAL AGENTS

We have some attractive district and state agency contracts open for some good organizers who want to develop independent businesses for themselves. If you have had no experience in organization work, do not reply.

(Health and Accident Insurance Only)

Write W. G. ALPAUGH, Vice-Pres. and Secretary
J. W. SCHERR, President

INTER-OCEAN CASUALTY COMPANY
Home Office: CINCINNATI, OHIO

Re-Insurance
Excess Re-Insurance
Catastrophe Hazard

DEE A. STOKER
RE-INSURANCE UNDERWRITER
111 W. Jackson Blvd. CHICAGO

All Lines but Stressing Excess Fire Reinsurance General Classifications.

	Prem.	Losses
Hartford. S. B.	\$ 37,524	1,815
Independ. Ind.	131	.....
London Guar.	995	.....
Maryland Cas.	16,623	3,438
N. Y. Indem.	3,256	.....
Penn Surety	94	.....
Ocean Acci.	3,750	.....
Royal Indem.	2,319	.....
Southern Sur.	93	.....
Travelers Ind.	3,657	238
U. S. F. & G.	143	.....
Total, 1928	\$ 75,631	\$ 5,660
Total, 1927	72,507	12,354

	CREDIT
Am. Cred. Ind.	\$ 85,836
Gen. Reins.	281
London Guar.	3,528
National Sur.	13,108
New Amster.	250
Ocean Acci.	1,150
U. S. F. & G.	11,166
Total, 1928	\$ 115,289
Total, 1927	90,228

	ENGINE & MACHINERY
Aetna Cas.	\$ 57
Columbia Cas.	1,330
Employers Liab.	886
Fidelity & Cas.	900
Hartford St. B.	17,794
London Guar.	240
Manfrs. Cas.	3,728
Maryland Cas.	13,267
Ocean Acci.	3,234
Royal Indem.	402
Travelers Ind.	565
Total, 1928	\$ 41,526
Total, 1927	15,964

	SPRINKLER LEAKAGE
Aetna Cas.	\$ 3,906
Maryland Cas.	22,267
Metropol. Cas.	57
Total, 1928	\$ 26,230
Total, 1927	25,511

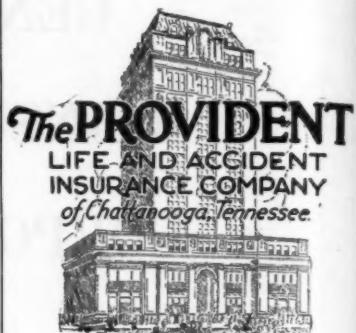
	LIVE STOCK
Hartford Acci.	\$ 556
Hartford L. S.	1,567
Total, 1928	\$ 2,123

	Michigan Figures Given
The Michigan premiums and losses of the Pennsylvania Surety for last year are as follows:	
Line—	Premiums Losses
Automobile Liability	\$ 53,629 \$ 17,668
Burglary	30,011 1,625
Plate Glass	14,648 2,476
Accident	941 186
Health	298 33
Auto. Prop. Damage	28,218 6,420
Collision	5,858 1,738
Misc. Prop. Damage	5,462 376
Fidelity	1,743 457
Surety	4,552
Steam Boiler	5,123 482
Fly Wheel	298
Misc. Liability	31,999 735
Compensation	229,523 46,372
Totals	\$ 412,312 \$ 78,572

	Extend Washington Office Scope
BALTIMORE, June 5.—The United States Fidelity & Guaranty has just enlarged its Washington branch office to include additional counties in Maryland, Virginia and West Virginia. Charles R. Hooff is manager of the Washington office.	

	GROUP LIFE GROUP ACCIDENT AND HEALTH
PROVIDENT TERRITORY IN BLACK ~	

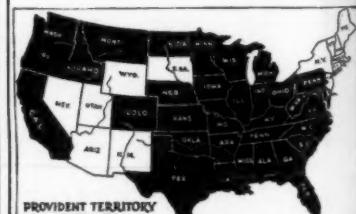
COAST TO COAST



WRITING
**ORDINARY LIFE
INSURANCE**
Modern Policies
At Prices in Line with
Those of Best Low Cost
Companies
and

**ACCIDENT & HEALTH
INSURANCE**
on the
Commercial
Pay Order
and
Monthly Premium
Plans

**GROUP LIFE
GROUP ACCIDENT
AND HEALTH**



Liberal Agency Contracts

Write for Particulars

**The PROVIDENT
LIFE AND ACCIDENT
INSURANCE COMPANY**
Chattanooga, Tennessee

**ROBERT J. MACLELLAN
President**

**W. C. CARTINHOUR
Vice-President & Secretary**

You will secure the attention and hold the interest of your prospects for accident and health insurance by an understanding of the principles outlined in The National Underwriter Sales Training Course in Accident and Health Insurance. Write for free booklet to 420 East Fourth street, Cincinnati, O.

John A. to the a...
Motors, L...
staff of Company
to his co...
Mr. Wil...
Walden-V...
of Worcester
ager of s...
graduating
in 1921.

Frank
publicity
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CASUALTY PERSONALS

John A. Williams, formerly assistant to the advertising manager of Duran Motors, has been added to the publicity staff of the Aetna Casualty & Surety Company and affiliated companies. Prior to his connection with Duran Motors, Mr. Williams was associated with the Walden-Worcester Wrench Company of Worcester, Mass., as assistant manager of sales, joining that company after graduating from Wesleyan University in 1921.

J. M. Throckmorton, who was one of the old time employees of the North American Accident in Chicago at its head office, died last week at his home in Wilmette. The funeral services were held in St. Augustine's Episcopal church in that city. He has been with the company 40 years.

Frank S. Groves, Jr., manager of the publicity and extension department of the Central Surety of Kansas City, is convalescing at his home there as the result of a major operation.

Timothy E. Dunne, surety manager in the Chicago office of the Union Indemnity, this year will take the McHale council of the Knights of Columbus on a Labor Day cruise to Cuba and Nicaragua and through the Panama Canal district, including a trip by rail across the Canal Zone. Through the courtesy of President Moss of the Union Indem-

nity, who is chairman of the board of the Standard Fruit & Steamship Co., the steamer *Atlantida* has been obtained for the cruise. Mr. Dunne as chairman of the cruise will care for all who wish to make reservations for the trip.

Fred W. Sarles, assistant to vice-president W. G. Alpaugh of the Inter-Ocean Casualty of Cincinnati, is celebrating the arrival of a baby girl, Helen Mae, in his home. This is the first child. Mr. Sarles is well known to insurance men throughout the country by reason of his connection for several years with the "Weekly Underwriter" of New York.

Vice-President Richard H. Thompson of the Maryland Casualty has returned to the home office from his world cruise. Mr. Thompson sailed from New York early in January, and visited 30 countries, including Spain, Italy, Palestine, Greece, Egypt, India, China and Japan. He left the steamer at San Francisco, going overland with stops at Omaha and Chicago to visit company representatives.

Donald St. C. Moorhead, secretary of the United States Casualty, who has been ill for several weeks, is again at his desk in New York City, though far from being in his oldtime form. However, he is progressing steadily if slowly, and it is just a question of time until he is again about as formerly.

C. F. Guild, engineer in the bonding department of the Maryland Casualty, was badly injured in a recent automobile accident in Arkansas. Accompanied by Mrs. Guild, he was making a business trip through that territory and when directed over a wrong route he got on a gravel road and lost control of the car, which overturned, pinning him and his wife underneath. They are in the Baptist Hospital at Mem-

(CONTINUED FROM PAGE 19)

Morton T. Jones of R. B. Jones & Sons agency of Kansas City, president of the new Kansas City Fire & Marine, W. B. Calhoun of Milwaukee, chairman of the finance committee of the National Association of Insurance Agents, Fred B. Ayer, Cleveland, chairman of the attendance committee, and Secretary W. H. Bennett were hobnobbing with the commissioners.

CONSIDERATE

**Great American
Indemnity Company
New York**

Casualty
Insurance

Fidelity and
Surety Bonds

Full Coverage
Automobile
Insurance
At
Independent
Rates

Stock Company
UNDERWRITERS CASUALTY COMPANY
HOME OFFICE
PLANKINGTON BUILDING MILWAUKEE, WIS.

Capital and Surplus
\$200,000.00

Agents Solicited

AMERICAN CASUALTY COMPANY
READING, PENNSYLVANIA

BIG ENOUGH FOR YOUR NEEDS—
BUT NOT OVERGROWN

Inquire about our excellent agency proposition

Incorporated 1902

Assets \$3,791,807.40

WORK WITH THE RIGHT TOOLS.

**Fort Dearborn's famous
Automobile Combination
Policies and Independent
rates**



FORT DEARBORN INSURANCE CO.

JOHN L. WALKER, Pres.

222 W. Adams St. Chicago

*Writing Casualty Insurance
Fidelity and Surety Bonds*



FEDERAL SURETY CO.
HOME OFFICE DAVENPORT, IOWA

phis., Tenn. It is feared Mr. Guild may have a slight concussion of the brain.

Percy N. Sargent, assistant manager of the Detroit branch of the Standard Accident, died in Coral Gables, Fla. Mr. Sargent started his insurance career with the Travelers at the Worcester, Mass., branch, later serving as assistant manager at Cleveland and branch manager at Columbus, O.

He went with the United States Casualty in 1922 as executive special agent and in October, 1925, joined the Standard as assistant manager of the Detroit branch. At the time of his death he was vice-president of the Casualty & Surety Field Club of Detroit.

Clarence Axman, editor of the "Eastern Underwriter," has sailed for a visit in Ireland and England. He expects to be gone about five weeks.

Combines for Progress Seen

(CONTINUED FROM PAGE 8)

nomic era. The bitterest rivalries have been submerged to the demands of a new order of things in most lines of business, but the local agent insists on pursuing his independent course, accompanied with grumbling and dissatisfaction toward the developments of the business unfavorable to him when in reality the remedy is largely in his own control.

"If the local agent is to survive as

the source through which the important insurance business in his community is serviced, and if he is to avoid existing only as the source through which lines of business not in themselves large enough or sufficiently important to organize are to be carried, he must keep step with the modern trend of business. Singly he has neither the equipment, the influence nor the contacts with which to meet these situations. Jointly he can accomplish all of the things that enable the larger city broker to control business, and he can add to his cause an advantage which few if any brokers can offer—local influence.

Grouping Advised

"What community is there and what group of agents living in the same community that would not be infinitely better off if all of the bona fide agents were merged into a limited number of local units, selecting from among their number those best suited to carry on the executive and administrative functions of the office and leaving the others free to devote themselves to the development of business?

"The next step in the expansion of this plan would be for these local units in various localities to be tied together either through common ownership or through the joint maintenance of a service office. The functions of this headquarters or service office would be to muster the influence and facilities of the local units and to add to them the facilities that are now available to the big city broker. If properly exercised, those facilities would be eagerly placed at the

disposal of the local agent. In this situation the general agent has a direct and vital interest. It is to his leadership the agent has a right to look for assistance in the solution of this problem."

Franklin Surety Organizes New Liability Department

This week the Franklin Surety, which has just entered the casualty field, opened separate offices at 123 William street, New York City, to handle general liability lines and automobile public liability, property damage and collision risks. William K. Fletcher is in charge of the liability department. He is manager of this branch of the company's business. For the last four years he has been in the New York office of the United States Fidelity & Guaranty.

The Franklin is writing burglary and plate glass business also, and although it is a young institution it is making rapid progress. At a stockholders' meeting last week, plans were approved for increasing the capital to \$750,000 and surplus to almost \$1,500,000. Plans to increase the authorized capital to \$5,000,000 also were approved.

The company has joined the National Bureau of Casualty & Surety Underwriters.

Quarterly Dividend Declared

Directors of the Continental Casualty have declared a 4 percent quarterly cash dividend payable on all stock, including the recent stock dividend. The dividend

is payable July 1 to stockholders of record as of June 15.

Club's Immense Volume

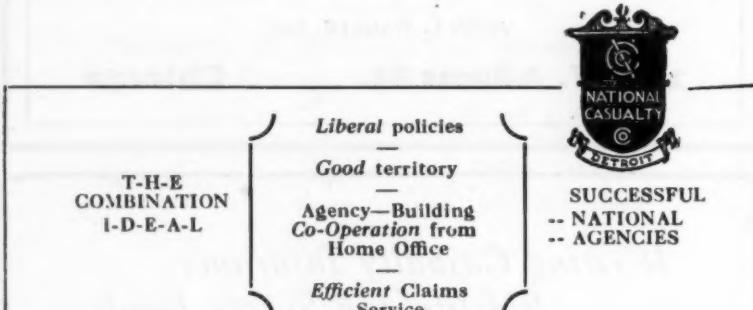
NEW YORK, June 5.—Automobile underwriters are considerably interested in the most recent figures of the Automobile Club of Southern California, which is a hard competitor of the stock offices for automobile lines upon the west coast. In the 16 years of the club's existence its premium income has grown from \$115,669 in 1913 to \$8,148,320 in 1928; while the number of policies written in the same period, increased from 2,823 to 235,604. This it must be understood includes the various forms of casualty as well as fire coverages, but it shows the great hold the club has upon motorists in the 13 counties of southern California in which it operates.

Licensed in Virginia

The Standard Surety & Casualty has just been licensed in Virginia. This is the twenty-third state to which it has been admitted within the last five months.

Thoelecke Is Promoted

Vice-president P. K. Walsh of the National Security Fire of Omaha announces that L. O. Thoelecke, who was formerly daily report examiner, has been made superintendent of agencies at the home office. The National Security has just been licensed in South Dakota, this making 45 states and Hawaii in which it is operating.



Are you making PROGRESS? If not, are you willing to spend TWO CENTS to learn WHY National Casualty salesmen forge ahead continually?

We have a full line of Commercial, Industrial, Group and Deferred Payment Accident and Health policies. A connection with this company will be the TURNING POINT IN YOUR LIFE.

NATIONAL CASUALTY COMPANY

Detroit, Michigan

W. G. Curtis, President

AUTOMOBILE	PUBLIC	BURGLARY	ACCIDENT
LIABILITY	LIABILITY	THEFT	HEALTH
PROP. DAMAGE	TEAMS	PLATE GLASS	WORKMEN'S
COLLISION	ELEVATOR	STEAM BOILER	COMPENSATION

General Accident
FIRE AND LIFE
ASSURANCE CORPORATION, Ltd.
FREDERICK RICHARDSON, United States Manager
GENERAL BUILDING • 4TH & WALNUT STS.
PHILADELPHIA

Indiana Insurance Company

A STOCK COMPANY CHARTERED IN 1851

DESIRERS AGENCY CONNECTIONS IN CITIES AND TOWNS IN INDIANA

AUTOMOBILE—All Lines in One Policy

Writing PLATE GLASS—50-50 Policy if Desired

FIRE AND WINDSTORM—Combined Policy; Equal or Unequal Amounts

State Agents:

COOLING-GRUMME-MUMFORD CO.

American Central Life Bldg.—Indianapolis

Riley 6452

Special Agents:

ERNEST NEWHOUSE

LA RUE BYRON

EMERSON NEWHOUSE

EMPLOYERS REINSURANCE CORPORATION

E. G. TRIMBLE, President
HOWARD FLAGG, Vice-President

CASUALTY REINSURANCE AND EXCESS
EXCLUSIVELY

Automatic Treaties covering Compensation, General Liability, Accident and Health, Fidelity and Surety and Burglary. Facultative service on special casualty risks.

Our many years of experience as Reinsurer and our consequent intimate knowledge of the requirements of casualty companies, enable us to build our treaties to fit our Reinsured—to provide a flexible service which we believe is unexcelled in our peculiar field.

OFFICES
HOME OFFICE—KANSAS CITY
INSURANCE BUILDING

CHICAGO
166 WEST JACKSON

NEW YORK
85 JOHN STREET

CAPITAL	One and a Half Million
SURPLUS	Two and a Quarter Million
ASSETS	Six and a Half Million



Favored by many property
owners because of its
Good Name

NEWARK

FIRE INSURANCE COMPANY

NEWARK—NEW JERSEY

T. L. FARQUHAR, *President*

WESTERN DEPT. CHICAGO LAW and HAMILTON, *Managers*

1929 Health and Accident Conference Number

The National Underwriter

A WEEKLY NEWSPAPER OF INSURANCE

FRIDAY, JUNE 7, 1929

\$200,000,000.00 OF LIFE INSURANCE IN FORCE is our goal for 1930

During 1928 we increased our Life Insurance in force
From \$100,514,686.00 to more than \$135,000,000.00
A gain of more than \$35,000,000.00 for the year

So far during 1929 our new life business is continuing to increase at such a rate as makes our attainment of

\$200,000,000.00 of insurance in 1930
a Certainty

As evidence of the esteem in which the Federal Life is held in its Home State, we submit the following record of the Company's new paid for business in Illinois during the past three years:

1926	\$12,909,001.00
1927	16,112,974.00
1928	31,478,005.00

The latter total is greater by—

\$13,000,000.00

than the new life insurance written in Illinois last year by any other legal reserve company of Illinois.

We Want Men of Ability in Illinois

If you would like to cash in on this favorable publicity and *can and will work*—get in touch with us.

Everything worthwhile in Life, Endowment, Term and Group Life Insurance including Educational and Child's 20 Pay Life—Endowment Annuity—All new.

Also

Accident & Health Insurance—Commercial, Monthly Pay—Non-Cancellable Disability Income—Group—Deferred Installment and a new \$5,000 Non-Cancellable Automobile Accident Policy for \$10.00—A Big Seller.

Write Today

Federal Life Insurance Company

Isaac Miller Hamilton, President

168 North Michigan Ave., Chicago, Illinois

Assets Over \$11,000,000

Established 28 Years

How Long Is Always?

To the average man—living a happy, healthy life, "Always"—or a lifetime doesn't seem very long. The days—the weeks—the months and the years go sailing by—with scarcely time enough to accomplish the many things you want to do.

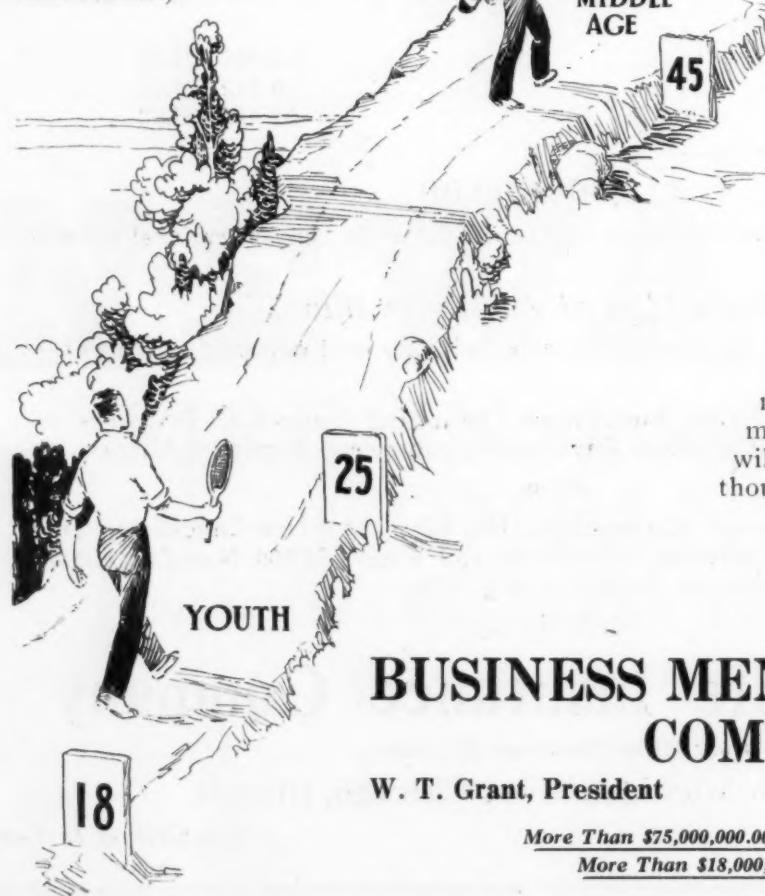
Under those circumstances—"always" means only as long as you live—and that is not long at the best.

But—

to the individual who becomes disabled—for life—"always" is an interminable period of unhappiness, suffering and, generally, financial stress and worry.

Through the B. M. A. "All-Ways" contract, the financial stress is relieved, and an income provided for the entire journey of life, if necessary, assuring the comforts so much needed during periods of disability.

B. M. A. Salesmen are happy in their work, and are succeeding in a big way through the privilege of guaranteeing an income for Life—under the B. M. A. All-ways contract. (Life-Accident-Health)



The
B. M. A.
All-Ways
Contract

"Pays
All-Ways
and
Always"

B. M. A.
Salesmen Enjoy
Singular Prestige

More than 35,000 claim drafts will be distributed to policyholders and beneficiaries in 1929.

B. M. A. salesmen enjoy the prestige of making claim settlements personally. During the remaining months of this year they will benefit from the settlement of thousands of claims in that manner.

BUSINESS MEN'S ASSURANCE COMPANY

W. T. Grant, President

Kansas City, Mo.

More Than \$75,000,000.00 of Life Insurance in Force
More Than \$18,000,000.00 in Benefits Paid

The National Underwriter

THIRTY-THIRD YEAR No. 23-A

CHICAGO, CINCINNATI, SAN FRANCISCO AND NEW YORK, FRIDAY, JUNE 7, 1929
Office of Publication, 175 West Jackson Boulevard, Chicago, Illinois

HEALTH AND ACCIDENT
CONFERENCE NUMBER

Conference Wants Prorating Plan

Life Disability Is Big A. & H. Topic

Committee Named to Confer with Actuaries on Drafting of Satisfactory Clause

CHANGE STATISTICS PLAN

Annual Meeting in Chicago Notably Successful, Both as to Attendance and Program Presented

The disability clause in life insurance policies and its effect on accident and health insurance, particularly with reference to the prorating feature, took the center of the stage at the annual meeting of the Health & Accident Underwriters Conference at the Edgewater Beach hotel in Chicago this week, as it has done in most of the recent gatherings of life company men. The general sentiment as shown in the discussion was that a prorating clause should be devised, which would cover benefits payable under the disability clause, as well as under accident and health policies. The discussion terminated in the appointment of a special committee to confer with the American Institute of Actuaries, also in session in Chicago this week, in an effort to formulate a clause that will be satisfactory to both interests.

It was decided to change the form of the statistical information issued by the statistical bureau of the conference, to

NEW OFFICERS ELECTED

PRESIDENT

T. Leigh Thompson, National Life & Accident.

CHAIRMAN OF EXECUTIVE COMMITTEE

Dr. J. R. Neal, Abraham Lincoln Life.

FIRST VICE-PRESIDENT

D. C. MacEwen, Pacific Mutual Life.

SECOND VICE-PRESIDENT

H. H. Trevett, Commercial Travelers Mutual Accident.

SECRETARY

George Manzelmann, North American Accident

NEW MEMBERS EXECUTIVE COMMITTEE

W. G. Tallman, Great Western; Chester W. McNeill, Massachusetts Accident

show losses under the various policy features in dollars and cents, rather than in days of disability, thus enabling the companies more readily to ascertain the net cost of these features and establish a net rate on that basis.

The subject of advertising and public relations, which has figured prominently at every meeting of the conference for the last three or four years, was apparently disposed of, for the present at least, by the adoption of recommendations made by the special committee on public relations, appointed just after the last annual meeting, which urged more simplification of policy forms and education of agents and office employees, but deferred any action on advertising until the results of similar campaigns carried on by other insurance organizations could be studied.

The meeting was notably successful, from the standpoint of both attendance

and interest manifested in the addresses and discussions. The total registration was 139, including 100 representatives of 57 conference companies, 32 guests and seven representatives of the press. This probably did not represent the entire attendance at the meeting, however, as many insurance commissioners, actuaries of life companies and Chicago accident and health men, representing both conference and non-conference companies, were on hand for one or more sessions.

Program of Especial Merit Presented

The program was one of especial merit, both as to the prepared speeches and in the round-table discussions, in which some particularly live questions were brought up, and a vote of thanks was given to George Manzelmann of the

(CONTINUED ON LAST PAGE)

T. L. Thompson New President

Is Vice-President of National Life & Accident and Long a Leader in Conference Affairs

NEAL IS NEXT IN LINE

Strong Slate of Officers Elected to Guide Destinies of Health & Accident Underwriters for Coming Year

T. Leigh Thompson, vice-president of the National Life & Accident, who was elected president of the Health & Accident Underwriters Conference at its annual meeting in Chicago this week, is regarded as one of the strong men of the conference, and has been actively identified with it since the old Detroit Conference days. He served as chairman of the executive committee in 1926-27 and would have been elected president at the Toronto meeting two years ago, but declined to allow his name to be submitted for the position at that time, on account of the death of his wife a short time before that meeting. He had previously served as a member of the executive committee and a vice-president of the conference. In advancing to the presidency at this time, he really takes up the regular succession which was broken two years ago.

Mr. Thompson has been connected with the National Life & Accident since

(CONTINUED ON PAGE 14)



T. LEIGH THOMPSON
New President of Conference



WATSON POWELL
Retiring President of Conference



DR. J. R. NEAL
Chairman Executive Committee



GEORGE MANZELMANN
New Secretary of Conference

Criticism Is Exaggerated

Special Committee of Conference So Finds in Submitting Recommendations for Improvement of Public Relations—Would Defer Action on Advertising

The special committee on public relations of the Health & Accident Underwriters Conference submitted these recommendations for improving public relations at the annual meeting in Chicago this week, which were adopted:

1. That while much has been accomplished in the past toward simplification and uniformity of policy provisions, additional study and effort should be directed toward this subject.

2. That the general adoption of a non-cancellable provision even at increased rates or with medical examination is not practicable or desirable, owing to the extreme diversity in the classes of business written by member companies.

3. That any program of institutional advertising be deferred until we have had an opportunity of studying the results achieved by current campaigns of other insurance organizations; further, if such a program is eventually considered desirable by the conference companies, that the initial effort be confined to one state so that effects may be observed at minimum expense.

4. That improvement of our public relations will follow a further extension of the development of our chief points of public contact, the field representatives, and that increased efforts along this line should be supplemented by education of home office employees in the functions of accident and health insurance.

The committee, composed of J. R. Neal, Abraham Lincoln Life, chairman; H. H. Shomo, American Casualty, and W. T. Grant, Business Men's Assurance, was named to consider the survey of the question of public relations made by the Insurance Advertising Conference. The report states that a brief digest of the survey, supplemented by a questionnaire prepared by the committee, was sent to each conference company, with a request for a statement of opinion on the points involved. Of the 94 members of the conference, replies were received from only 33 and seven of these refrain from expressing any opinion. The committee, therefore, finds it difficult to determine accurately the reaction of the conference as a whole to the program suggested.

The survey is reviewed under two headings—the attitude of the public toward the business as interpreted by a group of accident and health salesmen, and the methods suggested to improve public relations. In regard to the question of institutional advertising, the committee suggests that any action along that line be deferred until the campaigns now being conducted by the National Board of Fire Underwriters, that proposed by the National Association of Life Underwriters and the one considered by the casualty interests have been worked out and can be studied as to their results. On the matter of the public attitude toward accident and health insurance, the report says:

Can't Be Sold Without Cancellation Clause

"It seems to be the consensus among conference companies that much of the criticism of our business reported by accident and health salesmen is exaggerated and that the apparent dissatisfaction is not greater toward our branch of the insurance business than toward other lines. One of the criticisms of accident and health insurance, said to be most frequently made by the public, is due to cancellation of policies. Your committee believes that this criticism comes from a very small, and in fact, a negligible part of the insuring public and that the tendency among the companies in general has been to reduce the number of cancellations to an absolute minimum. Further, we believe that in common with other lines of casualty insurance, accident and health insurance cannot be sold to the great mass of the wage-earning public without a cancellation clause as a part of the policy contract, chiefly for the reason that the cost of non-cancellable insurance would be prohibitive.

"Another frequent criticism as reported by the accident and health sales-

men is the lack of understanding of the policy provisions on the part of the average policyholder. However, there has been a strong trend toward simplification of policy language in recent years, and we believe that this trend should be continued and extended to embrace a uniformity in policy provisions. Undoubtedly, responsibility for making the provisions clear to the policyholder rests with the agent who makes the sale, and through him with the company, but this fact is generally well recognized and is already one of the most important features of agency training. Much improvement along this line will continue to be noted where stress is laid on careful training with consequent improvement in the standard of salesmen.

Impossible to Eliminate All "Misunderstandings"

"However, your committee does not believe that it will be possible to eliminate all 'misunderstandings,' most of which occur unfortunately at the time a claim is made. Accident and health policies are sold at varying costs as are other commodities, the price of which depends upon the quality of the product. An \$18 suit of clothes will not wear as long or give as good service as one costing \$70, and similarly a policy costing \$18 does not contain as much coverage as one costing \$70. However, an \$18 suit of clothes as well as an \$18 accident and health policy may serve the needs of a certain class of people, and there is a definite place for each. There are many cases undoubtedly where the policyholder purchasing an \$18 policy erroneously but honestly believes that when a claim is due he has the protection afforded by a \$70 policy. If we are to better our relations with the public we must strive to give the public a better knowledge of the commodity which we sell.

"It is the belief of your committee that a large percentage of the so-called misunderstandings occurring when the policyholder becomes a claimant is not due to any fault of the company or salesman but rather to the comparatively small proportion of people who presumably are honest and law-abiding but who do not consider it unethical to 'beat' an insurance company.

Different from Any Other Line of Insurance

"Your committee believes that the criticism on account of unsatisfactory claim settlements is of very small proportion compared with the total business involved. During 1928, over \$125,000,000 was paid in claims by all companies in the United States doing an accident and

On Governing Board



CHESTER W. MCNEILL
Massachusetts Accident

health business. Surely an institution cannot attain such proportions if there exists any deep-seated dissatisfaction on the part of the public, and we think it is safe to say that reports of such an attitude may be largely discounted.

"Most policyholders do not read and understand completely the provisions in the accident and health contract but neither do they read their fire or life policies. The character of the accident and health insurance business is radically different from that of any of the other lines of insurance, which difference is reflected to a large extent in the difficulty of making claim settlements. A fire insurance adjuster has a comparatively easy task when called upon to adjust a loss under a fire policy because a piece of property usually has a fixed value and the loss may be quite accurately ascertained. A life insurance policy can incur but one claim during its lifetime and the settlement of the claim depends usually upon only a formal filing of proof of death.

No Measuring Stick for Adjuster to Use

"However, when a claim under an accident and health policy occurs it is not always easy to determine the actual loss in dollars and cents for the reason that identical disabilities may have varying values. Two policyholders may each suffer a fractured arm and one may be disabled three weeks and the other six weeks. In other words, there is no measuring stick for the accident and health claim adjuster to use in the adjustment of claims. He is dealing with a loss, the basis of which is determined by the ability of the human body or part of it to function normally and as long as the degree of disability is difficult to ascertain just so long must accident and health claims be difficult to adjust and our business incur some dissatisfaction because of this factor. We often hear statements from various insurance departments to the effect that 'more complaints for accident and health claims are received than for all other lines of insurance put together' and we cannot help but wonder why this should not be so, when it is realized that more uncertain factors are involved in our business than in all other lines of insurance combined.

"One of the recommendations made by the committee of the Insurance Advertising Conference dealt with the desirability of education of home office personnel in the functions of accident and health insurance, with the idea that they should be able to talk convincingly of their business in contacts with the public. Undoubtedly there is merit in this suggestion and we feel that it can safely be left with conference members for individual company action as they see fit."

Principal Sum Rates Too Low

Available Statistics on Present Charges for That Form of Indemnity Reviewed

AGE FACTOR IMPORTANT

Life Companies Extending Double Indemnity Coverage at Even Lower Cost—Some Figures Given

By FRANK P. PROPER
Assistant to President, Employers Reinsurance

Perhaps the most alarming revelation of investigation into accidental death costs and the question of adequacy of present rates is the apparent lack of reliable statistics upon this subject.

An examination of rate schedules of many companies reveals a wide variation of charges in the several occupation classes. Gross rates in the select and preferred classes vary from \$1.30 to \$2 and in class medium from \$2.66 to \$5, with corresponding differences in the remaining higher and lower classes. Of course, it must be remembered that these rates are largely dependent upon the broadness of the cover extended but, nevertheless, policies of virtually the same phraseology will have rates of inexplicable differences. If such rates were a matter of pure experience and reasonable expense loading, then the variation could only lie in selection and underwriting.

Results of One Company with Limited Experience

One of the foremost companies in the accident insurance business, which has compiled statistics over the limited period of its career in this field, shows a pure loss cost of \$6.13 per \$1,000 for death and \$.07 for dismemberment in class select; \$.518 and \$.054 respectively in the preferred class; \$.736 and \$.049 in extra preferred; and \$.755 and \$.094 in ordinary; or with death and dismemberment combined: Select, \$.683; preferred, \$.572; extra preferred, \$.785; ordinary, \$.849.

The company referred to, however, is extremely careful in its underwriting and its business is comparatively fresh from selection, due to its advent into this business within the past eight years. It can be readily observed, therefore, that such figures are not applicable to the policy contracts of most companies, especially considering that numerous organizations have been writing accident insurance over periods from 20 to 50 years, with possibly limited selection and care in underwriting.

Noticeable Increase in Principal Sum Losses

Another company, writing a very large volume of accident premiums annually, reports that in the select, preferred and extra preferred classes there is a very noticeable increase, year by year, the past four or five years, in the ratio of principal sum indemnity losses. This increase in particular has been experienced under the company's leading \$25 straight commercial accident policy, sold only in the higher classifications and to selected ordinary risks. It is significant that the same company shows a much lower principal sum indemnity loss ratio during the same period upon a large volume of so-called monthly premium business.

Also important is the fact that the figures of yet another large accident

(CONTINUED ON PAGE 15)

Disability Clause Effect Discussed

Cavanaugh for Pro-Rate Clause

Sees It as Preventive of Present Grave Dangers Accompanying Over-Insurance

SPEAKS AT CONFERENCE

Vice-president of Federal Life Presents Interesting, Well-reasoned Paper at Chicago Meeting

Vice-president L. D. Cavanaugh of the Federal Life presented at the meeting of the Health and Accident Underwriters Conference in Chicago this week a valuable paper on problems in connection with pro-rating accident and health and life policy disability claims. In part he said:

"For several years a number of life companies have been writing income disability insurance without the management of such companies realizing that they were engaged in the health and accident business. The results are evidenced by the experience of a number of life companies, many of which have shown very substantial underwriting losses in connection with the disability benefits in life policies.

"Officials of life companies in cooperation with the insurance departments are making definite progress in ironing out the more objectionable features that have in the past been included in disability benefits. The joint report of the committee of company actuaries appointed by former Superintendent Beha of New York and the committee of department actuaries appointed by the National Convention of Insurance Commissioners recently has been released.

Reference to Prorating in Actuaries' Report

"The topic for discussion in this paper is referred to in the report above mentioned as follows:

"Serious consideration was given to a proposed provision requiring a prorating of benefits in case these benefits appeared to be too large in proportion to earnings. Certain companies feel that some such clause is necessary and should be prescribed but the difficulties incident to drafting and administering a prorating clause are such that up to the present time only one company has deemed it expedient to adopt one. In view, however, of the strong feeling among certain companies that such a provision should be incorporated, the committee, while not prepared to recommend a prorating clause nor a specified provision therefor, have agreed that such a clause might be included with those provisions which may be necessary to the efficient administration of the coverage, and have covered the subject in general language under Provision 15 (e). The committees feel it is important that in any event companies should apply corrective methods to underwriting practices to avoid over-insurance."

"Provision 15(e) above referred to is included under provisions which would be permitted and reads as follows:

"That a proportionate reduction of income payments, accompanied by return of premiums paid on the amount of such reduction, may be made in case the aggregate monthly amount payable to the

(CONTINUED ON LAST PAGE)

Seek Prorating Provisions to Apply to Both Classes

The necessity for a revised prorating clause, to replace the present Standard Provision No. 17, which is generally conceded to be wholly inadequate, was emphasized in the discussion at the annual meeting of the Health & Accident Underwriters Conference in Chicago this week. It is the desire of the accident and health men to have a clause which will include, under the "other insurance", benefits payable under the disability clause of a life policy, as well as under accident and health contracts. There was also considerable sentiment in favor of a form which would base the total payments on the insured's income, comparable to the plan usually used in fire insurance, where the amount to be paid under all policies is limited to the actual value of the property destroyed.

It was felt desirable, in view of the important place now being taken by the life disability clause, to secure a clause, if possible, which would meet with the approval of the life companies, as well as the accident and health carriers, and to that end President Powell was authorized, on motion of T. Leigh Thompson of the National Life & Accident, to name a special committee to confer with the actuaries of the life companies in regard to this matter. He named as members of the committee L. D. Cavanaugh, Federal Life; C. O. Pauley, Great Northern Life, and George R. Kendall, Washington Fidelity National, all representing companies which write life as well as accident and health insurance.

Diversity of Opinion Among Life Companies

The diversity of opinion among the life companies in regard to the prorating plan was evidenced by the views of two eminent actuaries of life companies who discussed the question. Lawrence M. Cathles, president of the North American Reassurance of New York and former president of the American Institute of Actuaries, now a resident of the east, but long an official of a western company and probably influenced more by the western viewpoint, said it was certain that many life companies, if not all, will adopt a prorating provision, while E. A. Lundgren, actuary of the Prudential, declared that the sentiment of the life companies is strongly against prorating.

The question of prorating was introduced by L. D. Cavanaugh of the Fed-

eral Life, who reviewed the work of the joint committee of company and department actuaries and the proposed standard provisions for the life disability clause recently recommended by that committee, quoting its reference to the subject of prorating. He held that if a prorating clause could be agreed upon by both life and accident companies it would be of great value, particularly in overcoming the evil of over-insurance. E. J. Faulkner of the Woodmen Accident asked what percentage of claims showed indication of over-insurance. He said his company does not use the prorating clause and has not found evidence of over-insurance in more than one case out of 2,000. He said, however, that it does not operate in the cities and that more trouble might be encountered there.

Specific Cases of Over-insurance Cited

Mr. Cavanaugh replied that it was more often found in large cases and cited some cases where a man looked all right when he was insured, but was found to be receiving more in indemnities than his actual income. E. C. Bowlby of the Fidelity Health & Accident expressed his belief in the value of the prorating clause and gave some instances from his experience of over-insurance even in the case of holders of small policies. A. P. Johnson of the Northern Life of Seattle also gave similar instances as illustrating the importance of the clause, and emphasized the necessity for cooperation between the companies in such cases. A. E. Forrest

(CONTINUED ON LAST PAGE)

Talk on Life Disability Clause



L. D. CAVANAUGH
Federal Life



W. C. JOHNSON
Massachusetts Protective

Life Companies Now Big Factor

W. C. Johnson Shows Disability Premiums Will Soon Rival Accident Companies

MUST CONSIDER EFFECT

They Are Educating Public to Idea of Permanent Protection—Development of Two Lines Compared

The disability clause in connection with life insurance policies, which was given especial attention in connection with the prorating clause in the round table discussion that closed the Thursday session, was also brought up in connection with its probable effect on the accident and health business by W. C. Johnson, vice-president of the Massachusetts Protective, in his address at the same session.

Mr. Johnson throughout his address emphasized that there is a close interrelation between the problems of life insurance and accident and health insurance, and at the outset reviewed some of the changes which have taken place in the life field in its period of growth and readjustment, stating that the accident and health business is still going through its readjustment period and may find some lessons from the experience of the life men.

Early Conditions in That Field Easily Forgotten

He said that it is easy to forget the conditions that prevailed in life insurance in a previous generation. When he first entered life insurance work, a question very frequently asked was: "Why buy a lawsuit for my wife?" Then there was no contestable clause, efforts to shave down claims were not infrequent and many companies took advantage of a clause that allowed 90 days for payment of claims after the approval of proofs of loss.

Then the vision came to some of the leaders in life insurance to write the word "sure" into insurance—making payment a certainty. Today no one has to defend life insurance or its certainty.

The problem before the accident and health companies, he said, is to do everything they can to emphasize the "sure" part in their contracts. The problems in the two classes differ very materially. In life insurance there is but one claim, and that for an amount settled in advance. In accident and health there may be many claims, and it is necessary to value each loss. It is necessary, however, to convince the public of intent to serve it. In connection with the intangible character of insurance and the fact that it can be sold to stay, only if the business has won the confidence of customers, Mr. Johnson quoted a definition of a salesman given by the late John M. Holcombe of the Phoenix Mutual Life. He said that a salesman is not a man who makes a sale, but one who with every sale makes a friend.

Life Companies Are in Accident Business to Stay

Taking up the question of disability coverage under life policies, he said that the life companies are now in the accident and health business, and are in to stay. He referred to the fact that life

(CONTINUED ON LAST PAGE)

Community of Interest in Insurance Should Be Told

By JOHN W. BLEVINS,
Vice-President Interstate Life & Accident

The word "competition", according to the dictionary as compiled by Webster, means contention, strife or rivalry between two or more persons or firms for possession of the same thing.

As for time since when there were two sets or groups of men (companies) engaged in business, we have referred to and thought of each other as competitors and have used the word as indication of strife, contention or rivalry as between us for possession of the same thing. Whereas, the very nature, character, end, aim and purpose of our business and of all our efforts makes it unthinkable, if in fact it does not make it impossible, that we seek to vie or strive to rival in anything other than in extent and efficiency of service to our patrons and friends.

Making Clients for Himself Makes Prospects for All

Surely, as between men who speak the same language and work for or towards the same end, there can be no such thing as competition, if by competition we mean opposed to us. For regardless of what any man who is selling insurance may think or say about or strive to do to me or my company, he can not but be making friends and be making prospects for me if, haply, he is making clients for himself and business for his company. And even if, as I understand has sometimes happened in the past, he misrepresents himself and his company to the extent of knocking me or mine, if I but possess my soul with patience and do not knock him or his in return, he yet boosts my stock, increases my opportunities and adds to my prestige.

Opportunity Insurance Offers Is Reason for Existence

In baseball, as illustration, two opposing teams can not be competitors, notwithstanding the fact that they strive or contend each with the other for the game. It's baseball as an institution that takes care of the gate receipts, not the flag that goes to the winning team that makes the game possible and as a business profitable. Even so, while it is our high privilege to contend with and to seek to rival each the other in giving most and serving best, it is yet meet that we remember that it is the opportunity insurance as an institution offers men to lay by them in store with us for their future use and benefit, not that we gain the lead or that we establish company ascendancy over someone else, that furnishes excuse for our existence and basis and reason for our growth.

Real Competition from Sellers of Various Commodities

If, therefore, we have competition, it is from the butcher, the baker and the candlestick maker, meaning men engaged in promoting the sale of commodities, and not from companies who are striving with us to extend and to broaden the service insurance renders. And our competitors, if we have any, are they who are engaged in selling anything from a house and lot to so-called "short goods" under a plan which mortgages the buyer's future earning capacity and is not and can not be men who, like ourselves, are engaged in soliciting and inducing men to create a sinking fund with which to liquidate the mortgage that will mature with their premature death or non-productive old age.

As separate entities or individual companies we spend time, talent and money with lavish hand in advertising or boasting about what we had and do, while we

let the soul, the spirit of the business languish for want of interest on the values that we might secure from cooperative advertising which would teach people what insurance is and does for them.

Show That Insurance Is Community of Interest

Please do not misunderstand me. By cooperation I do not mean or have in mind mass or so-called "institutional" advertising of the popular magazine variety and for which, as applicable to insurance, in spite of the extravagant claim of its advocates, no practical scheme has been proposed or workable idea advanced. But I do mean something that would make it the purpose of advertising to show that insurance is a community of interests which makes it, as an institution, the plus of all the safety there is in common methods, safeguards and restrictions and of combined capital, surplus and legal reserve and gives to it the strength of the sum of all the ability, character and integrity of all the men and women engaged in administering and directing its affairs and in promoting and conserving its interests. And that would show that as an institution, insurance has made certainty of protection to policy-holders essential and profit or hope of profit to stockholders in insurance companies incidental.

Can't Be Advertised on Commodity Basis

As an advertising problem, insurance is different. It isn't a commodity. You can't give its benefits form or substance with ink and pulp. You can't carry its service in a sample case or dress it up and display it in a show window. It is a something born of human desire and that must be made to suit and fit human needs. It can be painted only with colors made out of the pigments of aspirations that are primal and fundamental, mixed in a pot faith fashions out of hope's promises with a brush made out of the high privilege and the supreme pleasure every man finds in providing for those for whose welfare he holds himself responsible on canvas which the wisdom that is high helps him to vision and to weave out of the woof and warp of the mystery of life and love and God.

Cunneen Explains Plans for Conservation Contest

T. F. Cunneen, manager of the insurance department of the Chamber of Commerce of the United States, was in attendance Thursday afternoon and spoke briefly on the inter-chamber health conservation contest recently launched by that organization, similar to the fire waste contest, which it has conducted for several years. Communities will be graded on sanitary improvements, educational and regulatory activities and actual losses from communicable diseases. It will have the cooperation of health organizations and public health officials.

He asked the cooperation of members of the conference in their respective communities and assured them that the chamber is always willing to do anything it can to assist them.

With "Readjustments" the general theme of the conference session, George Woodruff, vice-chairman of the National Bank of Republic, Chicago, the only outsider on the program, spoke at the opening session on "Readjustments in Credit," reviewing the general trend of business conditions in the last few years.

Decries Competition



JOHN W. BLEVINS
Interstate Life & Accident

Statistical Work Put on New Basis

The conference decided at this meeting to change the basis on which the figures of its statistical bureau are promulgated, giving the losses on the various contingencies covered in the accident and health policy in dollars and cents instead of in number of days of disability, as recommended in the report of its executive committee.

T. Leigh Thompson of the National Life & Accident suggested that it is of especial importance to the companies to establish a net premium cost for these various contingencies and strongly endorsed the proposed change. The statistical bureau is authorized to secure figures from other sources than its regular reports, both conference and non-conference companies.

New Basis Expected to Be of More Value

Harold R. Gordon, executive secretary and head of the statistical bureau, stated that it would be a comparatively easy matter to make the change proposed and expressed the belief that it would be of more value to company officials except actuaries.

There was considerable discussion at the executive committee meeting Tuesday night in regard to a possible change in the method of reporting statistics to the bureau, because of the fact that only ten companies are now reporting their experience on the basis requested, and one of those has indicated that it will discontinue these reports. It was decided to continue the present method for the present and refer the matter to the next meeting of the executive committee for further consideration.

Continue Special Tax Committee

The special committee on cooperation and taxation, named following the December meeting of the executive committee in New York, reported on the work done so far and recommended that the incoming president be authorized to appoint a similar committee to continue this work. The recommendation was adopted by the conference.

Four New Conference Members

New members admitted to the conference at this meeting included the United Pacific Casualty of Seattle, Norwich Union Indemnity of New York, Columbus Mutual Life, Columbus, O., and Continental Mutual of Denver.

Uniformity in Wording Urged

Watson Powell in Presidential Address Decries Great Diversity of Forms Now Used

MARGIN IS TOO SLIGHT

Companies Show Too Slender Profit on Business for Volume of Capital Now Employed in It

A strong plea for simplification of policy forms and the adoption of uniform wording for the more important policy clauses was voiced by Watson Powell of the Southern Surety, president of the conference, in his annual address. After reviewing the constructive steps taken by the conference throughout its history, particularly through the code of ethics, the work on the manual, the statistical bureau and its legislative service, he took up the present conditions in the business, stating that there have been no unusual occurrences the past year and that the experience was not materially different from the preceding years. The margin between profit and loss was rather less than in fairness to the companies it should have been. Continuing further, he said:

Problem of Excess Commissions Reviewed

"It would appear that the accident companies generally, and accident departments of multiple line companies, are doing business on too small a margin. The expense factors fall into four general designations—home office expense, taxes, acquisition cost and loss payments. We not infrequently hear the charge that accident and health commissions are too high and should be reduced. I am not prepared to dispute that statement; at the same time I do not believe that they are higher on the average than those usually paid for the production of other lines, when it is considered what is paid for maintenance and service of line carrying a commission percentage deduction considerably lower than ours. Nor would it appear that our selling cost is out of line with the excess charged over actual production costs of clothing, food and other necessities. Nevertheless I cannot but voice the wish that some of our friends would discontinue the practice of paying excessive commissions; by so doing they frequently make the road a rough one for the company attempting to so operate as to earn a legitimate profit. Too often companies writing other lines have offered excessive accident and health commissions for the sole purpose of making connections which would produce a volume in those other lines. Perhaps we might be fortunate if acquisition limits were imposed generally on our business as they are now on certain other coverages in certain states."

Waiting Period Only Solution for Health Losses

"Accident and health loss ratios, generally speaking, are rather higher than they should be. For many years we have been plagued with excessive health losses. It would seem that our problem in this respect is nearing solution through the use of initial elimination provisions. Quite a number of companies do not now grant sickness indemnity until the insured has suffered disability for one week or longer; other companies are experimenting with the

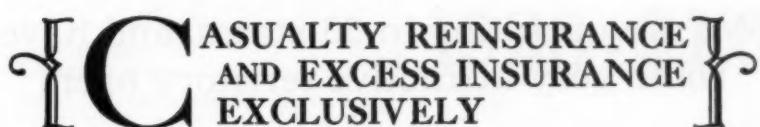
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Live Topics Up at Round Tables

A particularly exhaustive and valuable study of rates for accidental death losses was presented by Frank P. Proper of the Employers Reinsurance as an introduction to the round table on whether the present rates for such losses are adequate. His answer to the question was decidedly in the negative. He stated at the outset that statistics on the question are difficult to obtain. For that very reason the figures which he assembled from various sources, constituting what is probably the best compilation ever prepared so far on this subject, made it of unusual interest and value.

There was very little discussion, because, as was stated from the floor, there was little left to say on the subject. C. O. Pauley questioned somewhat the view expressed by Mr. Proper that there is an increasing accident hazard. He quoted from an official of the Metropolitan Life to the effect that automobile deaths have about reached their peak, and said Dr. H. N. Bundesen, coroner of Cook county (Chicago) holds similar views. Figures recently published in the Chicago "Tribune" show a smaller number of automobile deaths than for the same period last year. Mr. Pauley said the trend toward a reduction was the result of public education and aroused public sentiment.

Green Gives Experience on Special Auto Policy

The discussion of special policies insuring a single occupation or specified kind of accidents was devoted wholly to the special \$5 or \$10 automobile accident policy. It was introduced by C. N. Green of the Hoosier Casualty, taking the place of C. W. Ray of the same company, who had had to return to Indianapolis.

He told of his company's experience

with that form of policy, and said that while some others have been "badly burned," its experience has been very satisfactory, and it has extended the age limit from 65 to 70, with no unfavorable results. A travel accident rider has been added for \$5 additional, with \$5,000 principal sum, and also a family rider, covering all members of the insured's family, for \$1.25 a year, which is in great demand. He gave the claim ratio on this class of business for the past five years, as follows: 1924, 33.8 percent; 1925, 45; 1926, 17.4; 1927, 20.6; 1928, 23.6; average for the five years, 28.4. He said the volume had increased this year, with no increase in claim ratio.

D. G. Trone of the Indiana Travelers said that when his company commenced issuing the \$5 policy he was afraid of it, but the experience has been so unusually good that he is still wondering when he is going to get hit. It is sold to men and women, of any or no occupation, ages 18 to 65. There has been no particular difference in the experience as to age, sex or kind of accident (common carrier, automobile or pedestrian). With reference to the criticisms made by other speakers of limited policies, he expressed his conviction that there is a place for this kind of policy.

Powell Finds Losses Steadily Going Up

Watson Powell of the Southern Surety said his company started issuing the special automobile policy in 1920 and now has about 80,000 of them in force. While it has not been unprofitable, the losses have steadily been going up. In reply to a question, he said the loss ratio on this form last year was 47 percent. Originally it was issued for \$1,000 and \$25 a week, with accumulations, but that feature has now been taken out and the indemnity made \$100 a month.

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Is Merit Rating Idea Practical?

Man Who Has Gone Without Claims for Years Deserves Consideration

NOW GIVEN NO REWARD

Accumulations Granted to Good and Questionable Risks Alike for Persistency

By E. C. BUDLONG
Vice-president Federal Life

"Can merit-making (reduced premiums for policyholders without claims) be applied to accident and health policies?"

Webster defines the word "merit" as "due punishment or, usually reward." Note the emphasis is on punishment as well as reward. Penalties are sometimes necessary for holders of accident and health insurance policies—such as the 10-day waiting period following reinstatement, riders following attacks of recurrent diseases, cancellation for too frequent and questionable claims. Some of the modern riders are worded in such a manner as to practically nullify the policy contract—occasionally in connection with some trifling disability but more often following the payment of a claim for a disability so obviously chronic and preexisting as to warrant the cancellation of the policy. There is room for improvement in the rider proposition—but unless it is tightly drawn it does not protect the company.

Accumulation Feature Applies to All Alike

Now, how about rewarding the man who persistently renews year after year and the man who goes years without making a single claim. We grant the accumulation features to good risks and questionable risks alike as a reward for persistency, when perhaps the increases might better be given only to those whose policies indicate a consistent profit to the company. It is not easy to prove to the man who has paid ten annual premiums without a claim that the form of policy he holds is unprofitable, simply because we base our calculations on mass production—herding the sheep and the goats together.

The companies' loss ratio on health insurance in 1928 was appalling. Who got the money? Most of it was paid out in dribs and drabs to people who did not need it.

"The man nobody knows" got his while the getting was good, and the steadfast, persistent non-claim making fellows paid the bills. If after years of patronage those desirable patrons are unfortunate enough to become seriously disabled, what assurance have they of more favorable consideration than the "put and take" gamblers, who come and go "where from" and "where to" nobody knows?

Pay Limit to Man Who Maintains Policy

No company should object to paying the limit of indemnity for any disability sustained by the man who has faithfully and trustingly maintained his policy in force for years—sometimes with no claims or only very trifling ones. These men are expensive to replace.

I believe in "merit rating"—just as I believe in participating life insurance. The man who buys life insurance pays more for a participating policy in the beginning, but eventually secures a much lower rate than on a non-partici-

Merit Rating Treated



E. C. BUDLONG
Federal Life

pating policy. He earns it by persistency.

It would hardly be practical to issue a participating accident and health policy—nor do I think that a return of actual cash is necessary. Why pay back money if the full premium can be collected and the dividend or "merit rating" allowance applied to the purchase of additional indemnity or a policy otherwise increasing in liberality after years of favorable claim experience?

A policy with monthly indemnity can be made more attractive than one with weekly indemnity. The terrific "turn-over" in our business is during the first two years. Secure the second annual premium and the percentage of persistency is much better. If your basic premium is sound—load it for first year expenses and early claims. If there are no claims, apply the first year loading to a liberal increase on the second year and add each year thereafter a small increase—even 5 percent will be effective—until a definite limit is reached.

Largely Question of Selling the Agent

If such a policy is limited as to certain diseases which if incurred during the first year may reasonably be considered as "doubtful," why not gradually extend the limit until the restriction is off? If riders are necessary for diseases which the trifling, but not chronic, though apt to be recurrent, give the "square shooter" a chance to automatically overcome the restrictions by persistency and good claim record.

This is largely a question of selling the agent. It has been done and can be done, but only by proving to him and to his customers that the purpose of the policy is to give genuine protection in time of real need. Teach the agent to believe merit rating and how to talk it and teach the policyholder to value it and earn it.

Health insurance rates should be based on attained age of applicant. This is both fair and reasonable and if combined with a "merit rating plan" will enable us to prove to the young applicant that he cannot afford to change companies or lapse his insurance because of increasing cost.

"The business that stays is the business that pays"—if you can stop the early leaks.

Only two deaths were reported among the conference membership since the last meeting, those of William Jones of the Meridian Insurance Company, Charleston, W. Va., and W. J. Means of the American Insurance Union, Columbus, O.

Watch Us Grow

..and..

Grow With Us

PREMIUM INCOME

1919 - \$29,076.34

1920 - \$85,573.90

1921 - \$100,283.09

1922 - \$133,327.90

1923 - \$281,033.54

1924 - \$413,363.76

1925 - \$546,736.44

1926 - \$764,194.17

1927 - \$929,664.21

1928 - \$1,047,492.37

United Insurance Company

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O. T. HOGAN, President

HOME OFFICES:

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Chicago, Illinois

ADMITTED ASSETS
\$19,013,000



SURPLUS TO POLICY-HOLDERS
\$10,546,000

IF

—an unsurpassed line of full coverage monthly payment, commercial, group, and railroad instalment policies, backed by a company of outstanding financial strength with a national reputation for fair and square dealings with its policyholders and representatives, would mean anything to you—

YOU

—should investigate the possibilities of a connection with—

MASSACHUSETTS BONDING and INSURANCE COMPANY

T. J. FALVEY, President

HOME OFFICE

BOSTON, MASS.

Please address P. H. ROGERS, Manager, Accident & Health Dept.

Comparisons Are Often Advisable

Better Understanding As to Protection Carried Is of Real Advantage to Business

MAY BE SOME ABUSES

Analysis of Policy Contracts in Competition Called Aid to Healthy Development, if Properly Used

By JOHN A. KEELAN,
Superintendent of Agents, Time
Insurance Co.

I believe I am right in saying that the practice of comparing policies in competitive cases has been looked upon with disfavor by many of us, and while during the last few years the number of forms of policies insuring against one particular contingency or another has multiplied, many of us continue to evade, if not discourage, the idea of the agent making policy comparisons for the guidance of the prospective buyer.

Those of us who have been reluctant to encourage the practice of comparison of policies in competitive cases have been guided only by honest, if not the wisest motives, presumably because we fear a great harm can come, not from the ethical use of the medium, but from the unethical abuse of the practice, and I wish to say here that I believe it entirely possible to become so enwrapt in the mantle of business ethics as to hamper our progress toward public enlightenment.

Can Aid in Healthy Development of Business

The practice of comparing policies always did and always will exist, and through the proper education of our agents, its honest and intelligent use should be encouraged for the healthy development of the business.

What of the agent that you send out to see the man well qualified to buy one of your fullest coverage policies at an adequately large premium, when he finds his way barred by the reply that he already has the same amount of insurance for half the premium? Witticisms and wisecracks, perhaps to the effect that the other fellow knows what his stuff is worth, will not help the salesman or further the cause of insurance.

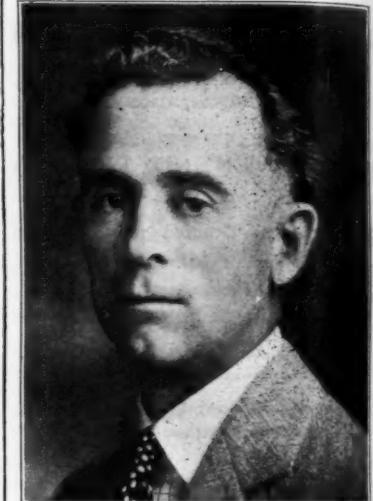
Should Not Leave Man Ignorant of What He Has

Leaving the financial interest of the salesman out of it, is it right to leave that man blissfully ignorant of the limitations of his protection until he has had a loss that his contract does not cover, and condemns insurance in general, or is it not better to assure him that he has his money's worth, but tactfully and without the slightest disparaging reference toward the company or the form of policy written by it, point out to him just what he is getting for his premium dollar?

More often than otherwise, I believe a misunderstanding thus set right will cause the insured to keep his policy, and when at some later day he has a loss, even though it may be outside the limits of his popular priced policy, an adherent to the cause of accident and health insurance service is saved.

Accident and health insurance men and women are, happily, aided in a fair and unbiased standard method of policy comparison through the good offices of one of our leading insurance publications. Its painstaking preparation of an

Favors Comparisons



JOHN A. KEELAN
Time Insurance Co.

analysis of accident and health policies is filling a long felt want. Yet, while this form of analysis is entirely satisfactory and perhaps fully meets the requirement of the man or woman schooled in insurance phraseology, it is slightly incomplete, due, of course, to the lack of cooperation on the part of some companies in failing to immediately furnish copies of their new and current policies for analysis. I do hope the time is not far distant when every company will recognize the great amount of good to the individual, as well as to the business in general, growing out of open display of their product through the means of this comparative analysis. While this particular general method of comparison of policy contracts in competitive cases can be carried out, for the laymen the language used should be modified in that event so as to be readily understood by the general public.

Taxation Committee Tells of Its Work

The report of the special committee on cooperation and taxation, created at the December meeting of the executive committee of the conference, which consists of W. C. Safford, American Liability & Surety; J. W. Scherr, Inter-Ocean Casualty, and J. F. Ramey, Washington Fidelity National, was devoted mainly to the reception given to the pamphlet prepared by the committee, entitled "Should Thrift Be Taxed?" Copies of the pamphlet were sent to all members of the conference, insurance commissioners, members of the legislature in states where an increase in premium taxes was proposed and to all of the major insurance organizations. Extracts from letters received from officials of these organizations, commenting favorably on the pamphlet, are included in the report.

The committee states that so far as it has been able to learn no legislature has passed a bill increasing the taxes during the present legislative year, while Ohio has reduced the tax from 3 to 2½ percent, which was the rate prior to the increase in 1923.

John Patterson, former president of the conference and always one of its most active workers, who has not been in attendance at the last two meetings, was welcomed back to the ranks in his new capacity as president of the Midland Casualty of Milwaukee. He was accompanied by his son, Kenneth Patterson, who is secretary of that company.

Travelers Equitable Insurance Company

LIFE - HEALTH - ACCIDENT

1893 Progressive Northwest Institution with a Record of 36 Years of Outstanding Service. 1929

MILLIONS Paid to Policyholders

G. Lindquist, President

500-512 Baker Arcade Building
MINNEAPOLIS, MINNESOTA

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Trends in Education of Agents Listed

The report of the committee on publicity and education, submitted by Ralph E. Richman of THE NATIONAL UNDERWRITER, chairman, took up some present day tendencies in education of agents:

"1. We would call attention to the present tendency to leave out a discussion of the mechanics of the sale in educating agents on selling. For many years it has been the custom to discuss the sale on the basis of an organized division into the approach, the presentation and the close, and these sometimes are further subdivided. At the present time the tendency is to discard entirely use of these terms and to keep the mind of the agent concentrated upon the actual task which he has to perform in the sale, and the information and methods which may be valuable in performing that task. For instance, the agent may be given suggestions as to the way in which he may open up the conversation; he may be given suggestions as to method for obtaining the signature of the prospect—but these will all be treated without reference to any division in the sale itself.

Information on Mechanics of Sale Sometimes Confusing

"It has been felt that for many agents, and particularly for the beginning agent, information on the mechanics of the sale has not been thoroughly absorbed and has confused rather than aided the purpose of the teaching, which is to emphasize the prospect's need and the salesman's service, and how these two may be made effective toward the sale.

"2. The multiple line company and the multiple line agency are multiplying rapidly. Both the multiple line company and the multiple line agency, where it is large enough, develop specialists for each of the major insurance lines, but for the great number of agents, they

must become fairly proficient in a great many lines. It becomes, therefore, increasingly necessary that agents shall have an understanding of the basic and fundamental nature of insurance, its purpose, its service, and its methods of operation.

More Attention Given to Management of Men

"3. Increasing attention is being given in the accident and health field to the management of men. Preliminary to management of men should be selection of agents. Few companies today are making use of the definite information available for guidance in the selection of agency material. We mention selection of agents here only to have it understood as being a necessary step preliminary to more supervision of agents, particularly in the first few months of their employment. Supervision of the agent must be especially concentrated in the period directly following his first appointment. The agent must make a living almost from the beginning. It would be well if every agent coming into the business could finance himself for two months or three months but very frequently even this cannot be done. Therefore, the first educational efforts must be centered on enabling the man to make some money at once. During the first period of employment then should come the most intense supervisory and educational efforts. More and more managers are finding that intense supervision of a few men brings better returns than little or no supervision of a large number of men.

"The fourth tendency then is towards use of what is not exactly a 'canned' selling talk but what is certainly a standard selling talk, so that the beginner has a very definite understanding of some things that he intends to say."

Our Agents

are equipped with a spread of policies applicable to every class of insurable risks—male and female.

Premiums payable in a manner suitable to applicants. Policies covering every accident or sickness enables our field force to build large renewal incomes.

□ □ □

Desirable territory open in Wisconsin, Michigan, Indiana, Missouri and Illinois for dependable and responsible producers.

□ □ □

ILLINOIS MUTUAL CASUALTY COMPANY

HOME OFFICE
Peoria, Illinois

O. L. McCORD
President

C. C. INMAN
Supt. of Agents

C. O. McCORD
Vice-President

EMPIRE LIFE & ACCIDENT INSURANCE COMPANY

INDIANAPOLIS, INDIANA

We write the following lines of coverages:

Ordinary Life, all forms, \$1,000 and up—Intermediate Life, \$500 to \$1,000 on Monthly Premium Payment Plan—Child's Educational Endowment—Commercial Health and Accident on Monthly Premium Payment Plan—Industrial Life and Industrial Health and Accident on Weekly Premium Payment Plan.

[CAPITAL STOCK]
[\$300,000.00]

Home Office
Empire Life Building

Claims paid to policy holders and their beneficiaries
Over \$4,500,000.00

Surplus as regards policy holders over
"Half Million" Dollars

C. S. DRAKE, President

**There is Nothing New
but—
We Offer Something Different
it is
The Premier Accident
Policy for Women**

A high grade, full coverage accident contract, issued to both employed and unemployed women, and granting Principal Sum for specific losses, Monthly Indemnity for total or partial disability, with added indemnity for hospital confinement.

Agency openings in many desirable localities.

Address

**SOUTHERN SURETY COMPANY
OF NEW YORK**

Accident Department

Des Moines

Iowa

**What couldn't you do with ?
Policy Contracts like this?**

Annual premium — \$10.00 covering all accidents to children.
\$2,500.00 in the event you are killed.
2,500.00 in the event you lose two limbs.
2,500.00 in the event you lose an eye and a limb.
2,500.00 in the event you are permanently paralyzed.
2,500.00 in the event you are blinded.
1,250.00 in the event you lose one limb.
833.00 in the event you lose an eye.
625.00 in the event you lose a thumb and index finger of either hand.
25.00 a week for entire period of disability.

There are attractive openings for agency representation, handling these popular forms of accident coverage.

Write today for details to
C. C. WIMBISH, Manager
Accident Department

PILOT LIFE INSURANCE CO.
Greensboro, North Carolina



**Elimination Period Only
Remedy for "Flu" Losses**

In the round table discussion on "The 'Flu' and Its Effect on Health Insurance," the general sentiment seemed to be that the use of the elimination period offers the only solution to the drain of "flu" losses. It was suggested by Dr. B. H. Vollertsen of the National Casualty, who introduced the discussion, and strongly commended by Dr. H. W. Dingman of the Continental Casualty and Continental Assurance and A. D. Johnson of the United States Mutual.

Dr. Vollertsen gave an exhaustive review of the history of influenza epidemics, with some interesting comparisons of the figures from the different epidemics of recent years in the United States. He suggested that the two big problems before the companies in this connection are what can be done to prevent further calamities of this sort and how can the claim ratio be reduced. In the latter connection he suggested the elimination period as a possible remedy.

**Influenza Victims Not
Subject to Tuberculosis**

Dr. Dingman said his companies' health claims had doubled in January because of influenza, while the life claims were not affected, which shows the branch of the business most vitally concerned. He stated that his own observation and the records of his company showed, contrary to what might be expected, that "flu" victims do not get tuberculosis. If they recover, their lungs apparently are not affected. In that connection E. C. Budlong of the Federal Life said the claim department of that company has questioned the use of the "flu" rider which is generally attached, holding that a man who has had the "flu" is no more likely to have it again than one who has not.

**Saving in Losses
After Epidemics**

J. L. Mims of the Southern Union Life said that there is usually a material saving in losses after such epidemics, which helps to counteract the losses of the epidemic itself. When he returned to life insurance work after service in the navy, in which he went through the influenza epidemic, the president of the company urged that a special drive be made for new life business on that account, and he pointed to the immense volume of life business written in 1920-21 as indicative of a general sentiment of life insurance men to that effect. He suggested that the same condition might be true of accident and health insurance.

Mr. Johnson, in support of his advocacy of the elimination period, referred to the fact that during the epidemic the advice was generally given to

everyone affected to go to bed and stay there. The claim men threw up their hands at such a suggestion, but if a company has an elimination clause in its policies, it need have no hesitancy in agreeing with such advice from the health departments.

L. N. Webb of the Provident Life & Accident said that at the time of the recent epidemic his company and several others had sent out leaflets to policyholders as to the ways and means of taking care of themselves when attacked by the disease, and believed it well worth while.

**Some Prefer Elimination
Period to Merit Rating**

The elimination period also came strongly to the fore in the round table discussion of merit rating in accident and health insurance, in the form of suggestions that it probably could accomplish the end sought better than merit rating. E. C. Budlong of the Federal Life, who opened the discussion, presented the arguments for the merit rating idea and offered a suggested plan under which rates would be loaded sufficiently to grant increased indemnity after the first year to policyholders who presented no claims.

C. O. Pauley of the Great Northern Life said there are only two points to consider. The first is whether it will do away with trivial claims. He doubts whether it will. He held that the elimination period would be much more effective, as the "claim fan" will file claims anyway. On the other point, that of doing justice to the man who does not make claims, he said that such a man should really have some reward and that perhaps a satisfactory plan to that end can be worked out.

**Costs Just as Much to
Handle Small Claims**

The elimination period was also classed as preferable by S. C. Carroll of the Mutual Benefit Health & Accident and Isaac Miller Hamilton of the Federal Life, who called attention to the fact that it costs just as much to handle a claim for four days as one for 60 days.

E. C. Edmunds of the Fidelity Health & Accident said his company at one time put out a policy which granted a total increase of 25 percent, 5 percent a year, for freedom from claims, which was withdrawn only because the claim department thought it involved too much work, and that the experience on it was very satisfactory.

F. M. Feffer of the Abraham Lincoln Life told of the plan his company has adopted for rewarding persistent policyholders through its dividend coupon policy and said it is proving very popular.

Wysong, Blevins Speak First Afternoon

Clarence C. Wysong, Indiana insurance commissioner spoke at the Wednesday afternoon session on the trend toward progress and the necessity for health and accident insurance, in common with other lines of business, keeping pace with the times. He declared that public confidence is the greatest asset of the business and that the one factor which tends to break down that confidence more than anything else is the agent's failure to explain the contract when it is sold. He criticized most severely the extreme limited policy as being most open to wrong interpretations, through the silence of the salesman as to what it really does cover.

John W. Blevins, Interstate Life & Accident, who had at previous conference sessions established a reputation as

a representative of real southern oratory, fully maintained that reputation in his address at this meeting. His subject was "Competition," but he announced at the start that he would feel perfectly free to depart from it. He laid especial stress on the essential unity of the business, comparing it to baseball, where the success of the game is due to the organized institution, rather than the flag that goes to the winning team.

Where companies now advertise what they have, he held that they should set forth what insurance is and will do, its community of interest and its importance and value as an institution. He declared that the real competition is not from others in the same fields, but from others who are selling commodities of various sorts and mortgaging the buyers' future earnings.

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Little New Legislation Reported

The report of the legislative committee submitted by C. O. Pauley of the Great Northern Life, chairman, stated that the work of the committee has been carried on largely as individuals, each working in his own locality.

Two bills involving the establishment of state health insurance funds were introduced, but very little attempt was made to secure enactment of this legislation. One bill introduced in Massachusetts was withdrawn by the author and the other, a New York bill, was killed in committee.

Six bills involving either increase or decrease of premium taxes were introduced, five at the recent regular sessions of the legislatures and one at the last special session of the legislature in Mississippi. Five of the bills proposed increases in the present premium taxes and were either killed or amended satisfactorily. Among these were two identical bills introduced in Florida—one in the house and one in the senate. The senate bill has been killed and the house bill reported unfavorably, although final action has not been taken. In the Ohio legislature a bill has been enacted reducing the premium tax from 3 percent to 2½ percent.

Several Bills on Claim Payments

Several bills were introduced at the recent legislative sessions imposing penalties upon insurance companies for failure to pay claims within certain time limits or adding a penalty in addition to interest on contested claims. In Oregon a bill was passed reducing the time limit for payment of claims from six months to three months with certain penalties. All other bills were killed.

Bills were introduced in two states prohibiting cancellation of accident and

health policies except for non-payment of premium, etc. One of these bills was introduced in New York and was killed in committee and the other was the now famous Pennsylvania Senate Bill No. 435. The section of this bill relating to the cancellation of policies was killed in committee and the amended bill which passed both houses was vetoed by the governor.

Regulation of Accident and Health Insurance

A dangerous bill was introduced in Minnesota relating to periodical payments of indemnity. This bill was withdrawn. A bill in North Dakota relating to misrepresentation was killed. In Wisconsin a bill was passed providing for the omission of standard provisions in ticket policies covering air travel. The Washington legislature passed a bill recodifying and renumbering the standard provisions.

In the Oregon legislature a bill was passed permitting the issuance of non-cancellable insurance. This bill while ostensibly authorizing the issuance of non-cancellable policies, also has the effect of requiring that a cancellation clause shall be put in all policies that are not completely non-cancellable for any cause except the non-payment of premium by the assured or terminated by the insured reaching a specified age.

In Wisconsin a bill has been introduced and passed the assembly requiring the licensing of adjusters. This bill applies not only to accident and health insurance but apparently to other lines. The senate committee has recommended non-concurrence but there is still a possibility that the bill will be passed, as the Wisconsin legislature is still in session.

Woodmen Accident Company Lincoln, Nebraska



A Million Dollar Company

FORTY-THREE
YEARS OF SERVICE
1886—1929

The North American Accident Insurance Co.

209 So. La Salle St., Chicago, Illinois

Oldest and Largest Company in America Writing
Accident and Health Insurance Exclusively

District Managers and Representatives
WANTED

Geo. F. Manzelmann, Agency Director

A GOOD YEAR TO CONNECT WITH A GOOD COMPANY

By Comparison—The Best

MONARCH Accident and Health Contracts

SERIES A-1929

have these features:

**GUARANTEED RENEWABLE
NON-PRORATING
INCONTESTABLE
NON-CANCELABLE**

Fit Nicely with MONARCH LIFE COVERAGE

Information gladly furnished

**MONARCH ACCIDENT
INSURANCE COMPANY
SPRINGFIELD, MASSACHUSETTS**

NOAH

Did Not Need the Ark Until It Rained
He Had to Build it in Dry Weather

YOUR CLIENTS

Will Not Need Endowment at Age 65 Complete Protection Insurance Until They Are Sick, Injured or Old

If They Have It Then, You
Will Have to Sell It to Them

NOW

Interstate Life & Accident Co.

Home Office, Chattanooga, Tenn.

Open Territory in Arkansas, Georgia and Tennessee
Write JOHN W. BLEVINS, Vice President

"Flu" Presents Two Problems

Research Needed Toward Prevention in Future, Reduction of Loss Ratio

PANDEMICS MUCH ALIKE

Dr. Vollertsen Says One in Past Year
Much Less Serious Than
That in 1918-19

Dr. B. H. Vollertsen, National Casualty, in introducing the round table discussion on "The 'Flu' and Its Effect on Health Insurance," said in part:

"Influenza is not a new disease, but has been known and recorded for many centuries. It is known to occur sporadically, epidemically and pandemically. Its cause is still uncertain, but preventive measures are known whereby the disease may be minimized. It attacks both sexes and all ages, but has its highest mortality rate between the ages of 20 and 35. Its spread is more rapid in closely organized communities such as army camps. The more recent pandemic was less severe than the one in 1918-1919, according to figures so far available. Can we assist in its prevention and can we devise methods whereby the loss ratio from pandemic disease can be reduced?

"In each succeeding pandemic two important questions arise. (1) Is it the same disease as the one prevalent in the previous outbreak; (2) and may it be identified with any disease occurring epidemically or epidemically in the inter-pandemic years?

Similarity in All Recognized Pandemics

"The essential clinical and epidemiological resemblance of 1928-1929 influenza to that of 1918-1919, 1889-1890, 1847 and other classic outbreaks is agreed by practically all observers. That is, the clinical picture as a whole, varied though it may be in details and in individual instances, presents an unmistakable similarity in all generally recognized pandemics.

"Whether any of the so-called influenza or grip of the intervening years is causally the same as the universally recognized influenza pandemics is still a controversy. Since the pandemic of 1889-1890 numerous fall and winter epidemics of respiratory disease occurred in various parts of the world. By some observers these outbreaks were apparently regarded as repetitions on a lower plane, but by others they were considered to be of a different nature and denominated 'influenza nostras,' 'pseudo-influenza' or 'grip.' The general public fastened on this latter term and it is still common to hear, from the man in the street who makes his own diagnosis, that he had been suffering from the grip.

Most Serious and Furious of Epidemics

"When influenza sweeps over the world in pandemic form, it becomes the most serious and furious of epidemics on account of the large numbers attacked in a short time. There is a high incidence, with a comparatively low case fatality rate, but the mortality is high on account of the great number of cases. Influenza itself probably never kills. Death is always due to some complication, usually pneumonia.

"In the world-wide pandemic of 1918-1919, it is estimated that there were over 200,000,000 cases and that upwards of 10,000,000 deaths occurred in less than twelve months; in the United States

alone there were more than 20,000,000 cases and about 450,000 deaths in less than six months.

"Unfortunately, at this writing reliable figures covering the recent epidemic are not yet available. It is, however, gratifying to be able to quote from the April issue of the statistical bulletin of the Metropolitan Life: 'Inasmuch as the record for 18 consecutive years has shown conclusively that what occurs in the mortality experience of the Metropolitan industrial policyholders is reflected also in the record for the general population, we believe that it is safe to say that when the mortality data for the latter becomes available a year or more from now, it will be found that the influenza-pneumonia situation ten years ago was approximately five times as serious as during the outbreak we have just passed through.'

"Through the courtesy of several large companies the writer is enabled to give comparative figures covering the last two pandemics for the periods from September to the following April. These show an approximate average of 75 percent of the total number of claims and 65 percent of the total amount paid for this period of 1918-1919, as compared with 55 percent of the total number of claims and 30 percent of the total amount paid in the corresponding period of 1928-1929.

"Since we are told by authoritative epidemiologists that there is a very noticeable decrease in all other diseases during these pandemics, these figures would be materially reduced as compared with the normal.

Need for Prevention and Reduction of Loss Ratio

"Little is to be gained from a subject such as this which is still cloaked in mystery, unless something can be done to not only assist in the prevention of future calamities, but also reduce the claim ratio.

"Two avenues of attack are open for your consideration. First, can we be of assistance in discovering and preventing this disease? Second, can we change our underwriting methods to reduce the unexpected losses that accompany it?

"Could we as an organization be of assistance not only in the study and research of this great problem, but also assist in the spread of timely literature or national advertising which might prevent its ever reaching a pandemic stage if not eventually stamp out the disease entirely?

"The question of a change in underwriting methods brings up the subject of the deductible term policy. The writer will not attempt to go into a discussion of this unquestionable method of saving to both the company and the policyholder, but merely present it for your consideration."

"Zach" Miller Wins First Golf Honors

About 30 conference golfers took part in the all-day tournament Tuesday, which was scheduled as the first day of the conference meeting. Z. T. Miller of the Washington Fidelity National had low gross score, with F. W. Benjamin of the Commercial Casualty second. E. C. Bowlby of the Fidelity Health & Accident won the low net prize, with H. G. Royer of the Great Northern Life second. Charles King of the Hooper-Holmes Bureau in Chicago was the lucky man in the kickers' handicap.

The prizes were presented at the banquet Wednesday night by Ted M. Simmons of the Pan-American Life, who also awarded the trophies to the winners at the ladies' bridge party Wednesday afternoon. Mrs. Harold R. Gordon of Chicago was first, Mrs. John Patterson of Milwaukee second and Mrs. A. D. Johnson of Chicago third.

An unusually good entertainment program was presented at the banquet, which was strictly a "speechless" affair.

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Uniformity in Wording Urged

(CONTINUED FROM PAGE 4)

plan. As this now appears to be the only remedy for excessive health losses, it is to be hoped that before a great time has elapsed, all companies will have adopted the plan of granting sickness insurance only after the insured shall have suffered a disability of seven days or longer.

Cost of Accident Claims Nearing Danger Point

"But while it seems that we may have eventual relief from the burden of excessive health loss ratios, the cost of accident claims is mounting until it is dangerously near the point of underwriting loss. Generally speaking, insurance against loss by accident has been profitable to the companies during past years, but mounting ratios, caused to a great extent by the ever increasing number of automobile accidents, may soon make this branch of our business an unprofitable venture. Perhaps we are attempting to give too much for the accident insurance premium dollar. It is quite true, I believe, that some companies, seeing that this line was profitable, began some years ago to broaden coverage without increasing premiums and I believe that it is a fact that some of these companies, having formerly recouped some of their health insurance losses through accident insurance profits, so increased accident coverage with unusual and freak policy provisions that a loss in both lines has resulted for them.

Standardization Not Generally Desired

"I am aware of the fact that even the mention of standardization of accident and health insurance policies is likely to provoke acrimonious discussion. Much has been said on the subject during recent years; very little has been accomplished. Certainly standardization will not come unless the majority of the companies desire it and earnestly seek it. I take it that the most of us here today do not want it; I know it is the thought of many of us that one of the attractive features of our business is the fact that we may use originality in the construction of our policies and that we are not limited by strict form and phraseology. I would not have you think I am an active advocate of any change in this condition; yet I often wonder if it may not be that we pay a great and unrealized price for freedom in policy construction.

Should Be First of All Coverages Sought

"Fire insurance may fairly be termed a necessity line; at least it is generally conceded to be such. When a man purchases a home or some other building, one of the first things he considers is the matter of fire insurance. In many instances, in our larger cities at least, the owner of an automobile is careful to keep active the various coverages on his car and so it is coming to be that automobile insurance is also considered in many quarters to be a necessity line. But does the purchaser of the home or building or other combustible property, or the owner of the automobile listen so readily to the story of the accident and health salesman? Sad to relate, he frequently does not. Does he actually seek accident and health coverage, as does many a man seek fire insurance? The answer is that if he does, he quite likely has infected tonsils or a troublesome appendix. In short, accident and health insurance remains, in point of selling, a specialty line, whereas it should be the first of all coverages sought by every person.

"Any of us will admit, and no one can dispute the fact, that the thing we sell should come first; that in protecting the earning ability of the insured, it protects his most valuable asset. It is more important than fire insurance;

it insures the continuance of the income which made possible the purchase of the property insured. By the same token, it is of greater importance than automobile insurance and it may well be argued that it possesses possibilities of greater economic value than life insurance. And yet our line is not recognized as being of such importance; the vast majority of persons having an insurable income are not willing and anxious to have its protection as they are to enjoy the benefits provided by some other lines of insurance.

Layman Doesn't Appreciate Difference in Policy Forms

"I do not know how many American companies, associations, societies or the like now issue accident and health insurance; certainly the number is large, running into the hundreds. Many of them issue a number of different forms, each unlike the others, and each institution issues policies which are, in some respects at least, unlike any of those issued by the hundreds of other concerns. The result is that there are probably several thousands of policies granting accident, or accident and health insurance issued in this country today, not one like any other one. Is it any wonder that sometimes the layman is confused? Or the agent selling other lines with a high degree of success? John Doe has an accident or is ill. He is paid indemnity under his policy. His neighbor suffers disability under almost the same circumstances; his claim is denied or reduced below the amount he thinks he is fairly entitled to. The result? Our business is condemned. Of course you and I know there was a difference in policy provisions but that explanation does not suffice for the layman and the neighbor is one of the sort who ever after says that he is a man who has tried it and it wasn't any good and many of his friends will, long after, refer to his experience.

Suggests Few Forms, Standard as to All Their Clauses

"As I have said, I do not want to be classed as an active advocate of accident and health policy standardization. Perhaps the evils which would attend it and which would hamper and bind us would be most harmful. On the other hand, it might be that if a condition should prevail so that only five or six forms, standard as to all clauses, could be offered to the public, we might by advertising and other means educate the public to the extent that it would want and understand our product and consider that some one of those forms was as necessary of possession as the other necessities of life. At least, it would seem that we might safely and profitably go so far now as to agree upon, and adopt uniform phraseology as to insuring clause, principal sum provision, total and partial accident disability provisions, and confinement and non-confinement sickness provisions. It would seem that it is especially desirable that, if it may possibly be done, uniformity be had as to the insuring clause.

Insuring Clauses of Competitors Attacked

"It does our business no good to bring competition to the point where companies, in their literature, attack the insuring clause of competitors, and attempt to prove by court decisions the merit of their clauses and the comparative worthlessness of those of their competitors."

Manual Work Approved

R. S. Hills of the Massachusetts Bonding, chairman of the manual committee, in his report reviewed the action taken at the executive committee meeting in New York in regard to the form which the pending revision of the manual should take, and the work done so far in that connection. The conference approved the action taken and authorized the continuance of the work on the same basis now being used.

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Incorporated 1900

Minneapolis

Life, Accident and Sickness Insurance for Clergymen

Elect T. L. Thompson

(CONTINUED FROM PAGE 1)

September, 1909, as general manager of its casualty department, which has charge of its commercial and monthly premium accident and health business. He was elected a vice-president of the company about six years ago. Before he took charge of it, the casualty department had lost money for the company every year, but since that time it has increased very largely in volume of business and has been a source of reasonable profit for the company. Just prior to making his present connection, Mr. Thompson had served for six years as deputy insurance commissioner of Tennessee and in that position had become deeply interested in all lines of insurance but especially in life and accident and health business.

Dr. Neal in Line for Presidency Next Year

Dr. J. R. Neal, secretary and medical director of the Abraham Lincoln Life, Springfield, Ill., who was elected chairman of the executive committee and thus put in line for the presidency next year, has long been active in conference affairs and is prominent in medical as well as insurance circles. He is regarded as an especially able underwriter

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Member of Conference since 1904

and gained much commendation for his work this year as chairman of the special committee on public relations, which analyzed the survey made by the Insurance Advertising Conference and presented some very constructive recommendations, which were adopted by the conference.

The entire list of officers selected for the coming year is regarded as one of the strongest ever presented and is expected to insure a thoroughly capable administration of its affairs.

On taking the chair, President-elect Thompson expressed his thanks for the honor conferred on him and also voiced his debt of gratitude to the veterans of the conference in the early years of its history, many of whom have since passed on, for the assistance they gave him at the time of his entrance into the conference ranks. He then called to the platform all of the other newly elected officers who were present and they responded briefly.

An invitation was extended to the conference members at Thursday's session to attend the annual meeting of the International Claim Association at Hot Springs, Va., Sept 9-11.

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GOOD CONTRACTS TO REAL PRODUCERS

C. W. RAY, President

Principal Sum

Rates Too Low

(CONTINUED FROM PAGE 2)

company show a correspondingly high accidental death and dismemberment cost ratio in the select, preferred and extra preferred classes.

Percentages Determined for 12 Representative Companies

If we assume that the proportionate increase between classes select and preferred to Class F, of 12 representative companies, is approximately correct as an average of the increase between such classes, we may thus determine certain percentages for each class. These percentages, when applied to accidental death rates, present some rather interesting figures, although admittedly erroneous because of the assumption regarding increases between classes and the fact that the number of deaths in each occupational class will vary immeasurably. From statistics we learn that between the ages of 15 and 69 the accidental death rate of males per 100,000 in the United States is 136.1, or on the basis of \$1,000 accidental death indemnity, a cost of \$1.361. Between the ages 15 and 54 the death rate of males per 100,000 is 113.3 which produces an accidental death cost of \$1.133 per \$1,000 indemnity.

Costs Figured Without Regard to Occupation

These costs are, of course, without regard to occupation, so if we apply the percentages above derived, we thus determine accidental death costs, as follows:

Class	Ages 15 to 69		Ages 15 to 54	
	Inclusive	Inclusive	Inclusive	Inclusive
Select	\$.67	\$.56	\$.67	\$.56
Preferred .....	.67	.56	.67	.56
Extra Preferred .....	.94	.78	.94	.78
Ordinary	1.24	1.03	1.24	1.03
Medium	1.60	1.32	1.60	1.32
Special	1.99	1.65	1.99	1.65
Class F	2.43	2.03	2.43	2.03

While there is unquestionably a measure of accuracy in the number of accidental deaths per 100,000 these figures are not accurate for the reasons above stated. Nevertheless, these computations somewhat bear out the only available statistics, including those kept by this conference over a period of two years, that the rates in the higher classes are evidently inadequate, whereas in the lower classes they are probably sufficient.

Costs Much Higher for Advanced Ages

It may be noted that the accidental death cost for ages 15 to 69 is, in each classification, approximately 20 percent higher than for ages 15 to 54. Two years ago the committee of five on statistics of the Bureau of Personal Accident & Health Underwriters made recommendations of drastic increases in accidental death insurance rates on risks 55 years of age, and greater increases in such rates on risks 60 years of age. While the recommendations were largely based on the experience of two leading companies, there is no question, according to all accidental death records by ages, but that there should be a decided increase in principal sum rates for risks beyond age 50 or 55.

Figures Submitted to Chamber of Commerce

Quoting from a letter recently written by a vice-president of one of the foremost companies in the accident insurance business to the manager of the insurance department of the Chamber of Commerce of the United States, we find: "A quite recent investigation on this subject of pure accidental death rate brought out conclusively that the pure accident death claim costages 60 to 70—in what is known as Class A risks, was more than double the cost of risks carried between ages 18 and 60. Therefore, assuming the correct rate per \$1,000 to be \$1.33—ages 18 to 60—this called for extra loading of 105.2 percent for risks carried from ages 60 to 70. In

Class B, on the assumption that the rate is \$1.40 prior to age 60, the experience called for a loading of 145.7 percent for ages 60 to 70. For Class C risks the extra loading computed is 170.1 percent. Class D experience showed that the extra loading was required beginning at age 55, and assuming the cost to be \$1.70 per thousand below 55, the experience required a loading for carrying risks from 55 to 70 of 147 percent."

Various Factors Enter Into Rate Adequacy

You will understand, of course, that while the preceding calculations are based upon accidental death statistics, the question of adequacy of rates is one, not of the number of such deaths per 100,000 exposed, but of how many policy contracts have been issued and the number of accidental death claims under such policy contracts for which payment has to be made, and also the occupational classes and ages under which the deaths occur. Consequently the experience of accident companies as to total exposure and costs in the several occupational classes is the only reliable basis as to rate adequacy.

Unquestionably many accident insurance carriers in the past year and one-half have sustained abnormal accidental death losses. While there is, apparently, no explanation for the experience of some companies, a rather close analysis of existing conditions may throw some light upon this rather sudden development. And while this circumstance may be recent and unusual, it may surprise us by remaining indefinitely in our experience. In short, nearly every condition of today points to increased accidental death losses, with the possible exception of selection and underwriting.

Motor Car Big Factor in Present Situation

In 1927 one of every four accidental deaths was assignable to the motor cars. Also in that year the motor vehicle death rate per 100,000 was 19.6. By ages, however, from 1 to 74 of males, it averaged 26.5 in 1926, upon which basis \$1,000 indemnity would cost \$265. This cost surely cannot be wholly unreliable, because special automobile accident policies are written rather indiscriminately and from ages 10 to 70. There is no allowance in the foregoing figure for dismemberment, which surely would increase the cost 10 percent to 15 percent. It is noteworthy that there is a steady increase in the accidental death rate as ages increase, with the single exception of ages 25 to 34. Some of you whose companies may have had bad accidental death experience under this type of cover will possibly be warranted in revising your principal sum rates accordingly.

Surely the adequacy of accidental death rates in future years is uncertain with the advent of the aeroplane as a common carrier, and for business or pleasure purposes. If the day ever comes, and according to present development, it inevitably must, when private and commercial aircraft fall into line to land as motor cars do to park nowadays, the question of adequate accidental death rates will constitute a real problem for the best underwriters and most learned insurance men.

Life Companies' Double Indemnity Rates Lower

Life insurance companies at the present time are extending double indemnity for accidental death at rates somewhat lower than principal sum rates of accident insurance companies. Many of them provide this additional benefit at rates ranging from \$1 to \$2.25 per \$1,000 flat for occupational classes select, preferred and extra preferred, with correspondingly higher premiums for the ordinary and medium classes. Many, however, receive only a net (after paying commission) of \$.35 or \$.50 the first year and \$1 to \$1.35 for subsequent years. There are usually no dismemberment benefits, and life companies have the advantage of the physical examination, but the contract is, of course,

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Vision, to see the tremendous need—and opportunity—of our business. Vision, to safeguard the happiness of millions of families—and our own stability.

Without vision there is no success. The agent must have it. He must transfer it to his prospect. They both must know that the Company has it.

Yes, "without vision the people perish." And it applies to no other business in greater measure than it does to ours.

Great Northern Life Insurance Company
110 South Dearborn Street CHICAGO

non-cancellable, terminating at age 60, 65 or 70. They are naturally bound to carry the risk at the originally stated premium, regardless of increases in accidental death frequency or physical hazard due to impairments. It is apparent, therefore, that as the individual risks increase in age, the accidental death rate will rise. According to statistics covering risks beyond the ages of 55 or 60, those companies which provide the double benefit beyond age 60, will be confronted with the proposition of having a rate about 50 percent adequate for losses upon such risks.

Can's Make Success on Present Rate Basis

As nearly as can be ascertained, the average cost of double indemnity for accidental death approximates 80 percent per \$1,000 of indemnity. The cost in the various age groups to one very large life company averages somewhat less than this amount, but the company referred to is perhaps the leader in selection and underwriting and its spread is enormous. Its average cost in all age groups is 52 percent per thousand over a period of years, but there is one fact in its figures of which we should take due cognizance. Upon risks beyond 50 years of age its cost increases 40 percent over ages 40 to 50, and beyond 55 years the increase is 60 percent.

Assuming that the cost of most companies will approximate 70 percent to 80 percent per \$1,000, they cannot hope to make a success of double indemnity with net rates of 35 cents or 50 cents the first year and \$1 to \$1.25 for subsequent years, when the comparatively high lapse ratio is taken into consideration. It is possible, therefore, that before many years they will find themselves in a position similar to that, but not so serious, of course, which they have been and are now experiencing upon total and permanent disability.

Seek Prorating Provisions to Apply to Both Classes

(CONTINUED FROM PAGE 3)

of the North American Accident said that before the pro-rating clause was used there were many cases of demise or intentional loss of an arm or a leg, and without it he feared there might be a resumption of such cases.

C. O. Pauley of the Great Northern Life held that the effect of the pro-rating clause was more noticeable in underwriting than on claims. "Where we prorate one claim, we get off of 50 policies," he said. He added that the great weakness of the present clause is that it makes no reference to income. He asserted that it will eventually be necessary to make some provision to hold down indemnity to a man's income and that the accident and health companies should be prepared to take a hand in any legislation along that line, to see that their interests are protected.

Clause Crept into Life Insurance Insidiously

Lawrence M. Cathles said that the disability clause had crept into life insurance insidiously. It was a very human sort of argument to say that when a man is disabled he might be forced to forfeit his life insurance, and the companies therefore agreed to the waiver of premiums. Then the income idea developed. Not knowing much about it, the life men thought it would not cost them very much and put it in. With no conception of what the cost was going to be, they charged, he said, about a third of what they should. He considers that the heavy losses under this provision are unquestionably due in large measure to over-insurance. The larger the amount of indemnity, the heavier the claim rate. He regards prorating as a sensible and logical safeguard and suggested that it would be advisable for both classes of companies to cooperate in framing such a clause.

Ted Simmons of the Pan-American Life expressed the belief that Standard

Provision 17 is better than nothing, and asked for a show of hands as to what companies are using it and what ones are not. It seemed to be nearly a 50-50 proposition, with probably a few more of those using the clause. It was brought out, however, that some companies that have dropped the clause did so because they considered it entirely inadequate in its present form.

Actuaries Well Represented at Conference Sessions

Arthur Coburn, president of the actuaries' organization, was in attendance Wednesday morning and spoke for that organization. L. D. Cavanaugh of the Federal Life led the round table discussion Wednesday afternoon and Lawrence M. Cathles of the North American Reassurance, S. E. Allison of the Pan-American Life, J. W. Williams of the Illinois Life, former actuary of the Illinois department, E. C. Sharp of Woodward, Fondiller & Ryan, New York, and E. A. Lundgren of the Prudential took part in the discussions.

Life Companies Now Big Factors

(CONTINUED FROM PAGE 3)

companies collected \$80,000,000 in premiums for that form of coverage last year, as compared with \$240,000,000 in premiums of accident and health companies, and declared that within a very few years it will reach twice the present figure. He said that from one standpoint it is a good thing for the business, as the life agents in telling about the benefits of disability insurance help to educate the people to the need of such protection.

He pointed out, however, that they are selling a guaranteed coverage, covering conditions originating prior to age 60 and subject to renewal at the policyholder's option throughout his life. In that way they are educating the public to the idea of more permanent coverage, applying not only when he is unimpaired. Consideration must be given, therefore, to what the public is going to ask for, as the trends of the business are determined by the public.

Accident and Health Needed Even if Life Insurance Carried

Continuing his comparison along another line, Mr. Johnson said the fact that a man is carrying life insurance is no argument against his having accident and health insurance as well. When a man dies from natural causes, he often has sufficient warning to be able to put his house in order, but with accidental death there is no such warning. It is all-important that in addition to his life insurance he should have some principal sum accident insurance to help pick up the loose ends. He also needs disability income protection, so that if he is laid up some company will provide at least part of his regular income and thus keep things going.

For the man who says that it "costs too much," he recalled the fact that the life companies in their readjustment period had vigorous competition from assessment concerns that were selling at much lower rates, but those concerns are now all gone and forgotten, as it was found that the public was willing to pay for sound service.

A. E. Forrest of the North American Accident, at the conclusion of Mr. Johnson's talk, confirmed this last statement, stating that the first insurance convention he attended was in Minneapolis in 1901, when 300 mutuals were represented, not one of which is in existence as a mutual company today. He then asked Mr. Johnson whether it is not true that the life companies are charging too little for their disability benefit.

Mr. Johnson said the life companies are learning some things, particularly about the cost of disability. Some companies undoubtedly have been charging too little, but they are studying the problem now. One reason for this condition is that their claim departments

have been administered by men not familiar with accident and health business. Furthermore, to keep good will they have been paying claims on a basis that no accident and health claim man would approve. He stated that they could not get along if they had to depend on disability premiums to meet disability claims. Their experience has been useful but costly. They have been working for the past year on improving the contract and are now studying the question of rates.

Cavanaugh for Pro-Rate Clause

(CONTINUED FROM PAGE 3)

insured on account of disability exceeds the percentage specified in the provision (not to exceed 100 percent) of monthly earned income at date of disability, or alternatively at date of application.

"It is significant that these committees recognized the question of over-insurance in making this joint recommendation. The question of over-insurance arises occasionally in the selection of applicants for life insurance. However, it is much more in evidence in the underwriting of disability insurance and likewise much more difficult to regulate. If we are to attain any degree of success in eliminating the hazard of over-insurance, company managements must agree on certain fundamental rules and principles and must cooperate in the solution of this problem to a much greater degree than has been done in the past.

"This leads to the question of having a proper pro-rate clause in all policies granting disability insurance, whether such coverage be in health and accident policies or in disability benefits issued by life companies.

"The laws of the so-called standard provision states prescribe in optional standard provision No. 17 the exact language which must be used when a company wishes to make provision for pro-rating of indemnities in the event of a claim. It is my observation that a large number of health and accident companies do not include this provision in their policies. Presumably this clause is omitted because it is so unsatisfactory in its practical application. When claims arise under circumstances where the insured is carrying disability policies in more than one company and where some of the policies contain this optional standard provision and others do not, all of the companies, even including the one with such provision, may be coping with an over-insurance claim without any satisfactory means of obtaining relief.

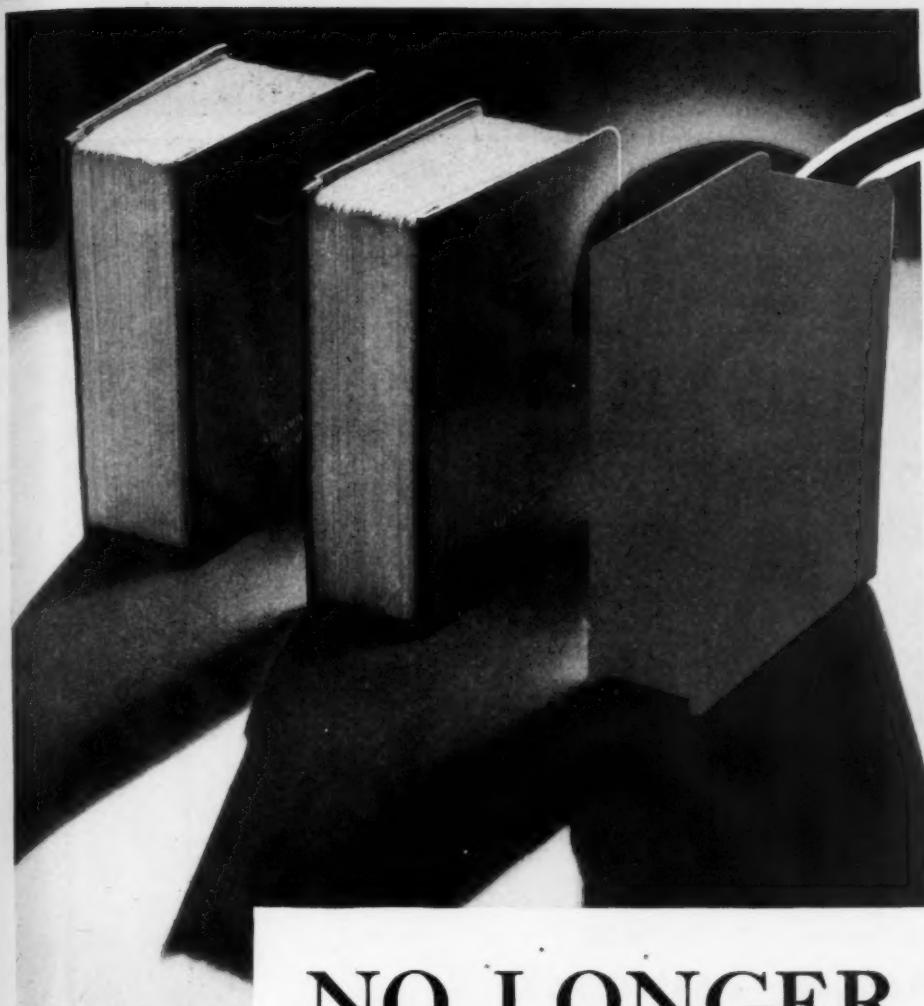
"If some pro-rating clause could be worked out which might be included as one of the provisions which would be prescribed or perhaps permitted in the so-called standard provisions for total and permanent disability benefits in connection with life policies, it seems to me that this would be a long step in the right direction for life companies writing disability insurance. If the same form of clause were adopted by health and accident companies it would be much easier for the companies to protect themselves from over-insurance by adjusting claims on a basis which would not encourage malingerer because of over-insurance."

Life Disability Topic

(CONTINUED FROM PAGE 1)

North American Accident, chairman of the program committee, for his work in that connection.

The decision as to the place for holding the next meeting was left to the executive committee, but the sentiment among the members of that committee, has indicated at the meeting Tuesday night, seemed to be decidedly favorable toward continuing the holding of the sessions at the Edgewater Beach, where the last two meetings have been held and where the convention accommodations can hardly be surpassed.



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